

August 26, 2005

The Honorable Mark Sanford
Governor, State of South Carolina
Post Office Box 12267
Columbia, South Carolina 29211

Dear Governor Sanford:

South Carolina's K-12 public schools have made documented and often dramatic improvements in student achievement in recent years. These improvements are the result of an intensive statewide focus on school accountability; carefully targeted investments of state, local, and federal resources; and creativity and hard work by educators, students, parents, lawmakers, and school volunteers and supporters. Because South Carolina's "starting point" was so far behind other states, and because our challenges have often been more daunting, it is hard to imagine a more urgent priority for South Carolina than sustaining our positive momentum. Despite laurels and commendations for improvement from a number of national organizations, our K-12 schools have far to go if they are to be competitive with the very best school systems in the nation and the world.

My FY 2007 budget recommendations are part of my statutory duties as State Superintendent of Education (S.C. Code Ann. Section 59-3-30(4)) to inform the public as to "the problems and needs of the public schools." To that end, I am submitting the enclosed recommendations for consideration in your executive budget. In my view, these recommendations do not reflect an effort to maintain our current rate of improvement, but rather to accelerate that improvement. This stepped-up approach is absolutely necessary if South Carolina's schools are to meet the goals of both the Education Accountability Act of 1998 and the federal No Child Left Behind Act of 2001.

I should also point out that while there are many needs not addressed here, I have confined my recommendations to what I believe are the state's requirements in order to avoid further shifting of state education obligations to local school districts.

Key recommendations are \$124 million to annualize FY 2006 state nonrecurring appropriations and Lottery appropriation; \$101 million to expand critical early childhood education efforts; \$91 million to sustain South Carolina's school bus transportation system; \$66 million to revitalize the K-12 Technology Initiative; \$58 million to provide full funding of the Education Finance Act (EFA) and related district employer contributions in accordance with S.C. Code Ann. Section 59-20-40; \$53 million to address teacher recruitment and retention; \$40 million to resource the Education Accountability Act (EAA); and \$28 million for school textbooks and instructional materials.

A detailed rationale for each of my recommendations is included in this document, and I appreciate this opportunity to present the needs of public education to you, the General Assembly, and the citizens of South Carolina.

Very truly yours,

Inez M. Tenenbaum
State Superintendent of Education

IMT/mm

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Statewide Mission:

Vision: Our shared vision is for a system of public education through which all students will become educated, responsible, and contributing citizens.

Mission: The mission of the South Carolina Department of Education is to provide leadership and services to ensure a system of public education through which all students will become educated, responsible, and contributing citizens.

C. Summary Description of Strategic or Long-Term Goals:

The past four years have seen unprecedented improvement in our public schools. It is important to the future economic and social well-being of our state as a whole that this momentum be maintained. The State Superintendent of Education charged in state law to “keep the public informed as to the problems and needs of the public schools. . .” (S.C. Code Ann. Section 59-3-30(4)). With this charge in mind, the enclosed budget is proposed for the Department of Education for fiscal year 2005–06.

The Department of Education is requesting full funding of the Education Finance Act (EFA) and related district employer contributions in accordance with S.C. Code Ann. Section 59-20-40. In addition funding is requested to sustain the S.C. school bus transportation system, to resource the Education Accountability Act, to revitalize the K–12 Technology Initiative; to provide for school textbooks and instructional materials, and to expand critical early childhood education efforts.

We realize fully that the State is in a budget crisis and that many agencies have had to make tremendous reductions to their budgets, even terminating employees. That being noted, however, the legal responsibility of the Superintendent of Education obligates the Department of Education to submit a request for additional funding to call to the attention of the General Assembly the costs associated with full implementation of the Education Finance Act, Education Accountability Act and other mandated programs. If revenues are not available for these mandates, the State Department of Education will continue to work with the General Assembly and will request statutory relief and adjustments in these mandates.

The following presents the strategic aims of the Department of Education.

Strategic Aim 1. High Student Achievement. Promote high student achievement by establishing and sustaining rigorous academic standards designed to ensure that all students in the state are taught the same high academic content and that they are all on grade level. South Carolina students must receive the same advanced academic preparation as students in other states and countries.

Strategic Goals:

- 1.1 Students are held to rigorous and relevant academic standards.
- 1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.
- 1.3 Students graduate from high school ready for college or a career.
- 1.4 Students use technology to reach higher levels of learning.
- 1.5 The state educational system components are accountable and aligned so that all students reach a high level of academic achievement.

Strategic Aim 2. Teacher Quality. Ensure an adequate supply of quality, caring, and competent teachers for all South Carolina classrooms by promoting strategies for the recruitment, training, and retention of teachers. Make dramatic changes in the way teachers are prepared. Implement and align standards and policies through a statewide review of teacher education programs. Establish and expand a network of Professional Development schools, where teachers can learn new standards and turn them into lesson plans. Develop a new certification system where certificate advancement will be connected to performance and recertification regulations to give teachers more flexibility. Initiate efforts to move the average South Carolina teacher's salary to the national average.

Strategic Goals:

- 2.1 Teacher recruitment and retention programs are successful.
- 2.2 Teacher preparation programs produce highly qualified teachers.
- 2.3 Teachers are qualified, competent, ethical, and caring.
- 2.4 Teacher professional development programs are effective.

Strategic Aim 3. Early Childhood Education. Increase and sustain emphasis on preparation of children in the early years through pre-K programs such as First Steps for School Readiness, Four-Year-Old Half Day Program, and Family Literacy initiatives. These efforts will help school districts enhance the foundation for student success so that all students enter first grade ready to learn and succeed.

Strategic Goals:

- 3.1 Children enter the first grade ready to learn and succeed.
- 3.2 Children have access to quality early childhood programs.
- 3.3 Children and their families have access to quality family literacy programs.

Strategic Aim 4. Parental and Community Partnerships. Facilitate increased involvement of parents, community leaders, and business partnerships in public schools of the state.

Strategic Goals:

- 4.1 Parents are active partners in their child's learning.
- 4.2 Communities are active partners in student learning.
- 4.3 Businesses are active partners in student learning.

Strategic Aim 5. Safe and Healthy Schools. Enhance efforts and provide leadership through the Office of Safe and Healthy Schools. Continue providing guidance counselors, social workers, school psychologists, and school safety/resource officers. Increase the number of alternative schools to serve students who are not succeeding in traditional school programs. Increase emphasis on character education programs, peer mediation/conflict resolution, mentoring, discipline policies, law enforcement partnerships, school-based mental health counselors, school facilities, and school attendance. Provide a safe physical environment conducive for learning. Replace obsolete or aging facilities, begin a school bus replacement cycle for the high mileage bus fleet, and improve the salaries for bus mechanics and drivers.

Strategic Goals:

- 5.1 Schools are safe, healthy places with environments that are conducive for learning.

- 5.2 School facilities are safe, functional, and adequate.
 5.3 The public school transportation system is safe and efficient.
 5.4 Schools form community and state alliances that promote the health, safety, and well-being of students.

Strategic Aim 6. Education Leadership. Improve the quality of school site leadership by providing principals access to the very best training in education, management, leadership, communication, and technology through the CP&L School Leadership Executive Institute. Provide training slots to school districts needing special assistance through the Education Accountability Act, as well as principals nominated by their school districts. Expand the Principal Mentor and Principal Induction Programs. Work to ensure aligned state education leadership.

Strategic Goals:

- 6.1 School leaders are highly qualified, caring, and supportive.
 6.2 State education leadership is aligned.
 6.3 Education leadership is accountable.
 6.4 Professional development programs support education leaders.

D.

Summary of Operating Budget Priorities for FY 2006–07:		Funding					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No: 1	Title: Education Finance Act (EFA) & Employer Contributions	\$0	\$58,127,911	\$0	\$0	\$58,127,911	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1-6.4 Activity Number & Name: 675-676; EFA and Fringe										
Priority No: 2	Title: Early Childhood Education – Four Year Old Program	\$0	\$100,805,400	\$0	\$0	\$100,805,400	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 3.1–3.3 Activity Number & Name: 736; Early Childhood Education										
Priority No: 3	Title: Transportation	\$0	\$89,271,825	\$750,000	\$1,200,000	\$91,221,825	3	0	0	3.00
Strategic Goal No. Referenced in Item C Above: 5.3 Activity Number & Name: 708, 749-751; School Transportation System										
Priority No: 4	Title: Education & Economic Development Act (EEDA)	\$0	\$14,871,640	\$0	\$0	\$14,871,640	5	0	0	5.00
Strategic Goal No. Referenced in Item C Above: 1.3 Activity Number & Name: (New); EDA										
Priority No: 5	Title: High School Redesign	\$0	\$3,782,200	\$0	\$0	\$3,782,200	3	0	0	3.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5, 2.4, 4.1-4.3, 6.4 Activity Number & Name: (New); High School Redesign										
Priority No: 6	Title: Parenting & Family Literacy	\$0	\$5,075,000	\$0	\$0	\$5,075,000	1	0	0	1.00
Strategic Goal No. Referenced in Item C Above: 3.1 Activity Number & Name: 737; Parenting & Family Literacy										
Priority No: 7	Title: EAA Assessment	\$0	\$9,910,616	\$0	\$0	\$9,910,616	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.2 Activity Number & Name: 759; Assessment & Testing Activities										
Priority No: 8	Title: SC Testing Task Force – Testing Task Force Recommendations	\$34,542,000	\$6,603,689	\$0	\$0	\$41,145,689	3	0	0	3.00
Strategic Goal No. Referenced in Item C Above: 1.2 Activity Number & Name: 759; Assessment & Testing Activities										

Summary of Operating Budget Priorities for FY 2006-07:		Funding					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No: 9	Title: Institute of Reading	\$0	\$0	\$0	\$1,650,000	\$1,650,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1, 2.3 Activity Number & Name: 711; Institute of Reading										
Priority No: 10	Title: EAA Data Collection and Reporting System	\$0	\$0	\$0	\$765,860	\$765,860	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.5, 1.3, 6.2, 6.3 Activity Number & Name: 755; Data Collection-SASI-SUNS										
Priority No: 11	Title: Teacher Quality - Teacher Advancement Program (TAP)	\$0	\$6,756,000	\$0	\$0	\$6,756,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.1-2.4 Activity Number & Name: 748; Teacher Advancement Program										
Priority No: 12	Title: EAA School Assistance, Intervention and Reward	\$0	\$15,572,348	\$0	-\$112,790	\$15,459,558	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5, 6.2, 6.3 Activity Number & Name: 721, 723, 724, 725, 726, 728; EAA										
Priority No: 13	Title: Summer School	\$0	\$25,232,021	\$0	\$0	\$25,232,021	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5 Activity Number & Name: 679; Summer Schools										
Priority No: 14	Title: Textbooks & Instructional Materials	\$0	\$27,509,273	\$0	\$206,162	\$27,715,435	0	0	4	4.00
Strategic Goal No. Referenced in Item C Above: 1.1, 1.2 Activity Number & Name: 760; Instructional Materials - Textbooks										
Priority No: 15	Title: Student Health & Fitness Act	\$10,230	\$4,140,340	\$0	\$0	\$4,150,570	3	2	0	5.00
Strategic Goal No. Referenced in Item C Above: 1.2, 1.5, 5.1, 5.4 Activity Number & Name: 764; Coordinated School Health Programs										
Priority No: 16	Title: Technology	\$0	\$65,501,758	\$0	\$0	\$65,501,758	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.4, 1.5, 5.3, 6.4 Activity Number & Name: 755, 757; Technology Initiative										
Priority No: 17	Title: Incentive for Special Educators	\$0	\$0	\$0	\$24,195,000	\$24,195,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.1-2.4 Activity Number & Name: 742; Teacher Quality										
Priority No: 18	Title: Teacher Quality: PACE, Cert, Data Collection	\$163,268	\$1,046,786	\$0	\$0	\$1,210,054	12	0	0	12.00
Strategic Goal No. Referenced in Item C Above: 1.1-6.4 Activity Number & Name: 742, 744; Teacher Certification and PACE										

Summary of Operating Budget Priorities for FY 2006-07:		Funding					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No: 19	Teacher Quality: National Board for Professional Teaching Standards, Induction and Mentoring, ADEPT	\$0	\$20,481,318	\$0	\$0	\$20,481,318	1	0	0	1.00
Strategic Goal No. Referenced in Item C Above: 2.1-2.4 Activity Number & Name: 688, 693; NBPTS; ADEPT, (New)										
Priority No: 20	Title: Young Adult Education	\$0	\$0	\$0	\$1,600,000	\$1,600,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 3.1, 3.2 Activity Number & Name: 740; Adult Education										
Priority No: 21	Title: South Carolina Readiness Assessment (SRA)	\$0	\$4,847,680	\$0	\$0	\$4,847,680	5	0	0	5.00
Strategic Goal No. Referenced in Item C Above:1.2 Activity Number & Name: 759; Assessment										
Priority No: 22	Title: High Schools That Work	\$0	\$0	\$0	\$1,100,000	\$1,100,000	0	0	2	2.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5, 5.1-5.4, 6.4 Activity Number & Name: 700; High Schools That Work										
Priority No: 23	Title: Gifted & Talented	\$0	\$0	\$0	\$27,404,938	\$27,404,938	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1-1.5 Activity Number & Name: 684; Gifted & Talented										
Priority No: 24	Title: Education Leadership: Principal Skills Analysis; Technology	\$0	\$327,785	\$0	\$0	\$327,785	3	0	0	3.00
Strategic Goal No. Referenced in Item C Above:6.1-6.4 Activity Number & Name: (New); Education Leadership										
Priority No: 25	Title: TEACH Corp	\$0	\$108,680	\$0	\$0	\$108,680	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.1-2.4 Activity Number & Name: 745; Teacher Education										
Priority No: 26	Title: Teacher Education Report Card	\$0	\$180,000	\$0	\$0	\$180,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.1-2.4, 6.3-6.4 Activity Number & Name: 745; Teacher Education										
Priority No: 27	Title: Education of Students with Disabilities	\$0	\$3,600,000	\$0	\$0	\$3,600,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1 Activity Number & Name: 694, 695; Services to Students with Disabilities										
Priority No: 28	Title: K-5 Enhancement Funds; 6-8 Enhancement Funds	\$0	\$0	\$0	\$48,500,000	\$48,500,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 1.1, 2.2 Activity Number & Name: 713; K-5/6-8 Enhancement										

Summary of Operating Budget Priorities for FY 2006-07:		Funding					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No: 29	Title: Professional Development on Standards	\$0	\$0	\$0	\$2,586,515	\$2,586,515	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.4 Activity Number & Name: 710; Professional Development on Standards										
Priority No: 30	Title: Math & Science Centers	\$0	\$0	\$0	\$299,618	\$299,618	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.4 Activity Number & Name: 690; Professional Development for Math & Science										
Priority No: 31	Title: School Facilities	\$1,710,000	\$200,000	\$0	\$0	\$1,910,000	3	0	0	3.00
Strategic Goal No. Referenced in Item C Above: 5.1-5.2, 5.4 Activity Number & Name: 704, 761; School Facilities Support										
Priority No: 32	Title: Research	\$10,000	\$128,000	0	0	\$138,000	2	0	0	2.00
Strategic Goal No. Referenced in Item C Above: 1.1-6.4 Activity Number & Name: 758; Conduct Research and Prepare Reports										
Priority No: 33	Title: EIA Teacher Salary & Fringe	0	0	0	-\$9,040,923	(\$9,040,923)	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above: 2.1 Activity Number & Name: 686, 687; EIA Teacher Salary & Fringe										
TOTAL OF ALL PRIORITIES		\$36,435,498	\$464,080,270	\$750,000	\$100,354,380	\$601,620,148	44	2	6	52.00

E. Agency Recurring Base Appropriation:

State	\$2,005,436,288
Federal	\$584,867,843
Other	\$666,892,798

F. Efficiency Measures: See Agency Accountability Report

G. NA

H. Number of Proviso Changes: 25

I. Signature/Agency Contacts/Telephone Numbers:

_____/John K. Cooley/734-8123 or 734-8122

_____/Len Richardson/734-8504 or 734-8122

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 1 of 33

C. (1) Title: Education Finance Act-EFA and General Fund District Employer Contributions

(2) Summary Description: The Education Finance Act (EFA) provides the basic foundation program funding across the entire state for approximately 660,000 students. District Employer Contributions provides the state's portion of the general fund employer contributions increase associated with the Education Finance Act (EFA) increase. Funding is provided to all 85 public school districts, two special districts, and one special school.

(3) Strategic Goal/Action Plan: High Student Achievement and Teacher Quality

D. Budget Program Number and Name: XIII.A. – Education Finance Act and Employer Contributions

E. Agency Activity Number and Name: 675 – Foundation Education Program – Education Finance Act (EFA); 676 – Employer Contributions

F. Detailed Justification for Funding:

(1) Justification for Funding Increase:

EFA. The EFA provides the basic funding for the foundation program. The requested increase provides funding at the estimated student count (weighted pupil units) and Base Student Cost as projected by the Office of Research and Statistics, Budget and Control Board. The increased funding provides the resources to achieve strategic aims of High Student Achievement and Teacher Quality. The end result of the program is to provide the foundation funding for student learning so SC students will become educated, responsible, and contributing citizens. Accountability and effectiveness is measured through audit compliance for expenditures, local required effort, adequacy of estimates, and student learning. This program provides the basic state and local education funding and all other state and local education programs complement the EFA. This program is the number one priority because it funds the foundation program on which all other items are based. Applicable state statutes: S.C. Code Ann. Section 59-20-20 through 59-20-80. SDE current resources are inadequate to cover the increase.

Employer Contributions. Employer Contributions provides the state's share of employer contributions. The intent is to provide, on average, 70% of school districts' expenditures for employer contributions less federal employees. The measure of success is determined during audits and if the state provided its share. Currently state funding is providing approximately 60% to 65% instead of 70%. This program complements other state and local funding in order to provide the total employer contributions requirement. This program is a high priority because it provides the required employer contribution associated with the EFA, which is priority one. Local, EIA, Federal and other funds assist in meeting the employer contributions requirements for school districts. Applicable state statutes are 59-20-20(2)(g), 59-21-160, 59-21-170. SDE current resources are inadequate to meet this increased requirement.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		\$58,127,911			\$58,127,911
Total	\$ 0	\$58,127,911	\$ 0	\$ 0	\$58,127,911
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$1,367,140,076	EFA, General Fund
	\$ 401,128,299	Employer Contributions, General Fund
Federal		
Other		

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

The following information is provided:

EFA	
FY 2006 Appropriated Base Student Cost:	\$2,290
FY 2006 Fully Funded Base Student Cost:	\$2,290
FY 2006 Appropriated Weighted Pupil Units:	847,426
FY 2007 EFA Inflation Factor	3.36%
FY 2007 Projected Base Student Cost (BSC):	\$2,367
FY 2007 Projected Weighted Pupil Unit (WPU) Count:	849,940
EFA Calculation Formula:	(BSC X WPUs X 0.70) + Other Agencies and Programs
(\$2,367 X 849,940 X 0.70) =	\$1,408,265,586
Home Instruction =	\$532,575
Palmetto Unified =	\$2,876,378
DJJ =	\$3,903,656
School-Deaf and Blind =	\$1,325,520
FY 2007 TOTAL REQUIRED =	\$1,416,903,715
LESS FY 2006 BASE =	\$1,367,140,076
FY 2007 REQUESTED INCREASE =	\$49,763,639

Employer Contributions:
FY 2007 EFA total increase = \$49,763,639
Estimated % of EFA related to salaries = 88%
FY 2007 estimated employer contribution rate = 19.10%
Calculation Formula:
(\$49,763,639 X .88 X 19.10%) = \$8,364,272
FY 2007 REQUESTED INCREASE = \$8,364,272

NOTE 1: This item impacts SC Average Teacher Salaries and is synchronized with the National Board, Teacher Specialist, and EIA Teacher Salary Supplement.

NOTE 2: This request does not include additional funds for Hold Harmless.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 2 of 33

C. (1) Title: Early Childhood Education

(2) Summary Description: The PreKindergarten Program, formerly called “4 K” or “child development”, for four-year-old children establishes and provides for the education of three- and four-year-old children who have predicted significant readiness deficiencies. The legislation requires that each district will provide at least a half-day early childhood education and development program for qualifying children. Districts have the option of serving three-year-old children in addition to or en lieu of four-year-olds if this meets their school readiness needs as defined in their district strategic plan. Some districts do not have building space to serve additional children; in these cases, districts will be required to fulfill the Prekindergarten regulation option which allows contracting of services to already existent childcare centers or Head Start programs, provided they meet all requirements of the legislation.

(3) Strategic Goal/Action Plan: Strategic Aim 3, Early Childhood Education. Providing for high quality PreK programs carries out Performance Goals 3.1 and 3.2. By increasing the capacity of school districts to carry out the intents of the regulations for Prekindergarten, more children can be served. By requiring high quality programs, which meet the regulation requirements, the state is assured that a greater number of children will be ready to learn and succeed upon reaching first grade. State research is showing this result. Preliminary data from national research is showing the same result. Three- or four-year-old children whose family qualifies for district family literacy programs should qualify for the Prekindergarten program, meeting Strategic Goal 3.3.

Strategic Goals:

- 3.1 Children enter the first grade ready to learn and succeed.
- 3.2 Children have access to quality early childhood programs.
- 3.3 Children and their families have access to quality family literacy programs.

D. Budget Program Number and Name: XI.B. – Education Improvement Act, The Half-Day Program for Four-Year-Olds (4-Year Early Child).

E. Agency Activity Number and Name: 736 – Early Childhood Education – Four-Year-Old Early Childhood

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The poverty rate for families of young children has steadily increased in our state over the past twenty years. Currently, one in five babies is born to a mother who is not a high school graduate. Twenty-six percent of babies are recorded as born to single mothers. These children are much less likely to receive the early literacy and language skills necessary for them to enter school ready to learn. Prekindergarten programs targeted only towards children from low literacy level, high poverty environments have proved successful by raising the readiness level of participating children. State and federal early childhood experts predict that providing prek state funding for all four-year-old children in quality classrooms will virtually remove the need for other readiness initiatives. Improved readiness of kindergarten children will lead to stronger academic performance of all children on important measures such as NAEP and PACT.

Several research studies, including “The Penny Report” (released in December, 2002, and December, 2004) showed that children served in public school prekindergarten programs (children who are “most likely to experience school failure”) performed as well as and better than their peers when tracked to 3rd grade PACT testing. Research indicates that an increase to the state allocation in 2007 will lead to higher third grade PACT scores in 2011.

Department of Education data and information provided by other agencies show the following:

- There are approximately 54,000 four-year-olds in the state.
- 17,351 four-year-olds were served in FY 2005
- Approximately 1,400 of those 17,351 four-year-olds were served under Title I
- 3,900 four-year-olds are recorded on school district waiting lists (approximate number)
- Approximately 11,000 four-year-olds are in other programs including private provider care and Head Start
- Under our current system, there is no way to adequately track the progress of children attending Head Start or private childcare programs
- 89 parents or grandparents contacted the Department of Education’s Office of Early Childhood Education, complaining that their child could not be admitted to the school district’s four-year-old program due to lack of funds in 2005
- 20,000 estimate of those not enrolled in any program
- 52% of our state’s four-year-olds were Medicaid births
- 33.3% of our state’s four-year-olds are currently served in SDE regulation Prek programs in school districts

- Approximately 20% of our state's four-year-olds are being served in either Head Start programs or private programs that currently don't have state oversight or state requirements of quality; an early childhood certified teacher is not required
- Approximately 35% of our state's four-year-olds stay with neighbors, friends, arranged care, or other situations where little or no early education is provided; often not even minimum requirements for health and safety are met

Good childcare costs approximately \$7,000 annually per child. Serving 17,351 four year old children in public 4K programs for a total annual cost of \$21,832,678 would be \$7.00 a day or almost \$3.00 an hour. Good babysitters earn more per hour. Our programs provide certified teachers, good health and safety provisions meeting state mandates, teaching to academic learning standards, developmentally appropriate classrooms, instructionally sound curricula, and appropriate teacher-child ratio. State 4K requirements have, overall, higher quality requirements than childcare programs in the state. An increase to the current state appropriation of \$21,832,678 by \$100,805,400 will allow the state to serve all four-year-old children whose parents wish the service.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		\$100,805,400			\$100,805,400
Total	\$ 0	\$100,805,400	\$ 0	\$ 0	\$100,805,400
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	
Federal	
Other	\$21,832,678

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No. 3 of 33**

C. (1) **Title:** Transportation

(2) **Summary Description:** To provide funding and support for the South Carolina School Transportation System.

(3) **Strategic Goal/Action Plan:** Strategic Initiative: Safe and Healthy Schools. Strategic Goal 5.3: The public school transportation system is safe and efficient. Action Plan: To develop a comprehensive plan for the assessment and provision of public school facilities, transportation services, and other infrastructure needs.

D. **Budget Program Number and Name:** VII.C. – Bus Shops; VII.D. – Buses

E. **Agency Activity Number and Name:** 708 – School Transportation System – Bus Driver Salary and Fringe Supplement; 749 – School Transportation System; 751 – School Transportation System - Bus Purchase

F. **Detailed Justification for Funding**

(1) **Justification for Funding Increase:** The state provides a basic pupil school bus transportation service for the public school system. Fuel and insurance cost increases and the aging bus fleet have increased operation and maintenance costs. In the past six years, recurring general fund appropriations for school bus operations have not been adequate to cover operational expenses. In FY 05-06 the recurring general fund appropriation is \$9,492,662 compared to an estimated \$46,574,468 operation budget, of which fuel alone is \$23,720,000. Therefore, as permitted by proviso funding for new buses and from the lottery have been used for operational expenses. In FY 06-07 operating costs will exceed the available FY 05-06 recurring resources by an estimated \$34.7 million. The department must provide an adequate fleet, adequate and safe maintenance and operations, recruitment and retention of staff, and allocations to districts to partially fund school bus driver salaries, fringe, and workers' compensation insurance. To meet the demands of student transportation the following requests are made:

- Increase of \$34.7 million in recurring funds for school bus fuel, parts, and repairs.
- Implement a school bus purchase Transition Plan that will establish a 15 year or 250,000 mile school vehicle fleet replacement cycle, \$26.1 million in FY 06-07.
- Add two roving mechanic positions to address temporary staff shortages; and provide a designated staff position for routing of school buses serving students with disabilities; fund staff salary adjustments to improve qualified staff retention and recruitment, and to fund career paths. 1,623,822
- Increase Aid to Districts for bus driver salaries and fringes by \$17,072,000 and increase by \$1,960,560 for increasing annual in-service training of school bus drivers to 40 hours each year.
- Increase Aid to Districts for school bus driver workers' compensation insurance \$3,636,667.
- Increase Aid to Districts or grant funds to implement strategies to secure school buses parked during the night and the school day, \$3,000,000.
- Relocation of the Greenville Shop and long overdue facility repair and capital improvements.
- Begin to enhance security, productivity, and efficiency of the school bus fleet through GPS tracking. Pilot projects, \$350,000.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3			3
(b) Salary		\$1,302,149			\$1,302,149
(c) Fringe Benefits		\$321,673			\$321,673
Pass-Through Funds		\$26,442,596			\$26,442,596
Other Operating Expenses		\$34,732,338		\$1,200,000	
Security Tracking Pilot System		\$350,000			\$350,000
Special Items Bus Purchase		\$26,123,069			\$26,123,069
CSBUSA Grant (applied for)			\$750,000		\$750,000
Total	\$ 0	\$89,271,825	750,000	\$ 1,200,000	\$91,221,825

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State	\$79,458,095	General Fund and EIA
Federal	\$0	
Other	\$6,513,298	Revenue Funds

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs:**(1) Justification for New FTEs**

(a) Justification: Although programs are being developed to address retention issues, low pay and stressful work environment result in a high turnover of mechanic positions. Technician absence and vacancies and increasing repair demands due to the aging of the school bus fleet require the use of roving support technicians. Expanded services for transportation of students with disabilities require a specialist in special needs routing to serve all 85 school districts in improving the efficiency of these unique services.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Mechanic III (Automotive Maintenance Technician II)					
(a) Number of FTEs	2				2
(b) Salary	\$60,850				\$ 60,850
(c) Fringe Benefits	15,212				\$15,212

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II (Routing Specialist)					
(a) Number of FTEs	1				1
(b) Salary	\$49,299				\$ 49,299
(c) Fringe Benefits	\$8,912				\$ 8,912

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State	442.15
Federal	
Other	22.87

Agency-wide Vacant FTEs as of July 31, 2005: 72

% Vacant 7.4%

H. Other Comments:

Cost Factors:

- Operating costs have increased for parts, fuel, tools, equipment, insurance, and bus repair (total cost \$51,500,000 - \$13,767,662 - \$3,000,000 (EAA) = \$34,732,338). An increase of \$34,732,338 is required for FY 2007. Included is a Pupil Injury Insurance increase of 25% requiring an additional \$1,000,000 and a fuel increase of \$3.1 million.. The Department anticipates collecting an additional \$1.2 million in school bus permit fees from districts based on the per mile permit fee adjustment approved by the State Board of Education.
- Establish a 15 year, 250,000 mile replacement cycle for school vehicle fleet (total cost \$36,800,000 - \$10,676,931 Special Items Bus Purchases = \$26,123,069 additional need).
- Clean School Bus USA grant has been requested to improve the management of school bus fleet emissions. (School bus purchase, fuel options, and systems improvements).
- Salary adjustments to assure retention and recruitment of qualified staff \$1,300,000, 2 additional mechanic positions, and 1 routing specialist for transportation service for students with disabilities \$134,273; funding of new career path plan to improve retention, \$152,000, for a total increase of \$1,623,822 salary and fringe benefits.
- Salary increase, fringe, training for bus drivers \$19,805,929 pass-through. Increase bus driver salaries and fringe funding from an average of \$8,581 per year (\$8.55 per hour) to \$12,104 per year (\$12.06 per hour). This request includes \$13.226 million in salary plus the associated \$4.409 million in fringe benefits increases. An additional

\$2,170,800 salary and fringe increase is requested to fund an increase in annual in-service training for school bus drivers to 40 hours each year.

- Aid to Districts (formerly listed as Employer Contributions (Bus Driver Workers Compensation Insurance)) (Total Cost Estimated \$6,700,000 – \$3,063,333 = \$3,636,667).
- The Department must implement increased security of school buses assigned to districts while they are parked overnight and during the school day. Grants to school districts will allow the installation of security strategies to limit unauthorized access to the buses. \$3,000,000.
- The Greenville facility relocation projected estimated at \$1,500,000 will start in FY 2006 and may continue into FY 2007. The facility relocation will be funded from a \$1.5 million sale of the existing Greenville Shop facility.
- For security, productivity, and efficiency enhancements, a GPS vehicle tracking system will be purchased for statewide monitoring of the school bus fleet. During FY 06-07 three hundred modular units and the associated equipment and software will be purchased. \$350,000
- Due to the adjustment in the school bus permit fee approved by the State Board of Education, a revenue increase of \$1.2 million is anticipated for FY 2006 and in FY 2007.
- The Department has submitted a federal EPA Clean School Bus USA grant that includes \$750,000 for school bus replacement and environmental improvements. Grant awards are anticipated in October 2005.

- A. Agency Section/Code/Name:** Section 1, H63–Department of Education
- B. Priority No. 4 of 33**
- C. (1) Title:** Education and Economic Development Act
(2) Summary Description: To provide funding and support for the South Carolina Education and Economic Development Act (EEDA) passed in June 2005.
(3) Strategic Goal/Action Plan: Strategic Initiative: High Student Achievement. Strategic Goal 1.3: Students graduate from high school ready for college or a career. Action Plan: To implement the provisions of the Education and Economic Development Act passed in 2005.
- D. Budget Program Number and Name:** New legislation
- E. Agency Activity Number and Name:** The Education and Economic Development Act (New Initiative)
- F. Detailed Justification for Funding**
(1) Justification for Funding : The general assembly passed the Education and Economic Development Act in 2005. No new funding was appropriated to implement the act. The following areas require funding to implement the activities required for 2006-2007:
- 59-59-20: Develop, modify and revise curriculum of the sixteen career clusters. (\$250,000)
 - 59-59-30: Project Office consisting of a director and four professional positions to implement the act. (\$400,000)
 - 59-59-50(A): Develop frameworks for individual graduation plans and modifying the curriculum frameworks for career clusters of study. (\$75,200)
 - 59-59-60(2): ESC estimates that \$327,750 will be needed to provide SCOIS access to all schools in South Carolina.
 - 59-59-70: Instruction and professional development for 300 new Career Development Facilitators. (\$300,000)
 - 59-59-90: Provide career interest assessments, career academic assessments, and implement a statewide system for data collection and accountability. (\$500,000)
 - 59-59-100: Add an additional 215 counselors in middle schools to achieve the 300:1 ratio for middle schools. (\$9,675,000)
 - 59-59-110: Transportation cost for students that wish to transfer to a high school offering his or her career cluster, if not offered by the high school in his or her attendance zone. (\$957,440)
 - 59-59-150: Implement model dropout prevention programs. (\$504,000)
 - 59-59-170: Annual operating cost for the Education and Economic Development Council. (\$30,000)
 - 59-59-180: Personnel and related expenses to open the twelve regional education service centers (estimated 12 FTEs). (\$1,200,000)
 - 59-59-180: CHE estimates the need for 12 FTEs, and travel expenses to support the regional centers. (\$720,000)
 - 59-59-190: ESC indicates that if schools choose to implement SCOIS, cost would include \$37,600 annually for licensing software, \$15,000 annually for travel and coordination and \$18,800 annually for user training and manuals. These cost would be offset by user fees in 59-59-60(A) for a net annual cost of \$900.
 - 59-59-190: CHE indicates a need for additional support staff to promote career information. (estimated 1.5 FTEs) (\$45,000)
 - 59-59-200: Meetings and workshops to revise the performance-based standards and training programs in contextual teaching. (\$200,000)
 - 59-59-200: CHE indicates the need to hire adjunct faculty (12 FTEs) to provide release time for full-time faculty to redesign element of teacher education programs. (\$360,000) CHE also indicates a need for staff support (1.0FTEs) (\$22,000)
 - 59-59-210(A) SDE and CHE anticipate the need for meetings, travel, printing, supplies and materials to develop articulation agreements. (\$155,000)
 - 59-59-210(B): CHE anticipates the need for a Program Manager (1.0 FTE) for articulation with salary, fringe, and office expenses of \$106,000.
 - 59-59-220: Textbooks, instructional training, and research materials to implement the career clusters of study system. (\$600,000)
 - 59-59-230: Promulgate, print, and distribute regulations and guidelines implementing the Education and Economic Development Act. (\$25,000)

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		5			5
(b) Salary		\$257,000			\$257,000
(c) Fringe Benefits		\$77,700			\$77,700
Pass-Through Funds		\$13,387,640			\$13,387,640
Other Operating Expenses		\$1,149,300			\$1,149,300
Total	\$ 0	\$14,871,640	\$ 0	\$ 0	\$14,871,640
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State
Federal
Other \$1,000,000

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: Personnel are needed to implement the many provisions of the EEDA and coordinate and conduct the initial and recurring workshops, meetings, and training. Personnel are also needed to staff the council and establish and manage the education service centers. Other personnel duties will include work on articulation, career assessments, training certified career specialist, curriculum modification, career cluster implementation and program leadership and financial management.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate III					
(a) Number of FTEs	1				1
(b) Salary	\$65,000				\$65,000
(c) Fringe Benefits	\$19,500				\$19,500

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II					
(a) Number of FTEs	3				3
(b) Salary	\$165,000				\$165,000
(c) Fringe Benefits	\$49,500				\$49,500

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist II					
(a) Number of FTEs	1				1
(b) Salary	\$27,000				\$242,308
(c) Fringe Benefits	\$8,700				\$72,692

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State 0
Federal 0

Other 0

Agency-wide Vacant FTEs as of July 31, 2005: 72

% Vacant 7.4%

H. Other Comments:

NOTE: Employment Security Commission and CHE requests are not included.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 5 of 33

C. (1) Title: High School Redesign

(2) Summary Description: To provide funding and support for the reform of high schools by creating an Office of High School Redesign.

(3) Strategic Goal/Action Plan: Strategic Goals: High Student Achievement, 1.1, 1.2, 1.3, 1.4, 1.5; Teacher Quality, 2.4; Parental and Community Partnerships, 4.1, 4.2, 4.3; and Education Leadership, 6.4. Action Plan: To provide additional funding and support for the newly created Office of High School Redesign focused on redesigning South Carolina high schools to provide rigorous preparation for students entering the work force and/or education beyond high school; relevant curriculum and experiences related to the lives of students and their career goals; and positive and knowledgeable adult mentors to assist students in reaching their life and career goals.

D. Budget Program Number and Name: (New Initiative)

E. Agency Activity Number and Name: High School Redesign (New)

F. Detailed Justification for Funding

(1) Justification for Funding Increase: To assist in the implementation of the Education and Economic Development Act and the recommendations of the South Carolina High School Redesign Commission, in August 2005 the SDE formed the Office of High School Redesign, staffing it with an existing FTE and supporting its FY06 efforts in ACT/SAT improvement with existing funding via Proviso 1.30 (SDE: PSAT/Plan Reimbursement) and Proviso 1.34 (SDE: SAT Preparation) totaling approximately \$650,000. This funding will be used to pay for the administration of the PLAN or PSAT to tenth grade students; the purchase of test preparation materials for students; and the professional development of administrators, counselors, and teachers on improving student performance on the ACT and SAT. An increase in funding is needed in FY07 to accomplish the following:

- Fully staff and support the office with 3 additional FTEs including two Education Associate IIs and one Administrative Specialist II (\$201,600).
- Support its work in implementing the recommendations of the South Carolina High School Redesign Commission and the Education and Economic Development Act and providing continued support to districts/schools in ACT/SAT preparation by training ACT/SAT Prep Coaches and providing test preparation materials for teacher instruction and student use (\$300,000).
- Implement ACT's Educational Planning and Assessment System (EPAS) beginning in the 2006–07 school year. EPAS will provide a longitudinal, systematic approach to educational and career planning, assessment, instruction support, and evaluation. The system focuses on the integrated, higher order thinking skills students develop in grades K-12 that are important for success both during and after high school. It features the following components: EXPLORE program and assessment for 8th/9th graders to help these students prepare for high school studies; PLAN program and assessment for high school sophomores to help these students plan and prepare for college and the workplace; ACT assessment to help high school juniors and seniors prepare for life after high school. This funding will pay for all 8th graders to participate in EXPLORE, all 10th graders to participate in PLAN, and those 11th graders who meet the core requirements to participate in the ACT (\$2,129,000).
- Support the costs associated with the administration of the PSAT (\$300,000).

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3			3
(b) Salary		\$157,500			\$157,500
(c) Fringe Benefits		\$44,100			\$44,100
Pass-Through Funds					
Other Operating Expenses		\$3,580,600			\$3,580,600
Total	\$0	\$3,782,200	\$0	\$0	\$3,782,200
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State
Federal
Other

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: In FY06, the Office of High School Redesign is being staffed with an existing FTE and existing funding as detailed in Section F. Additional staff will be needed in FY07 to effectively implement the EPAS system statewide in FY07 via professional development and technical assistance to all districts and high schools; to support the implementation of EEDA; and to support ongoing efforts in ACT/SAT improvement.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II					
(a) Number of FTEs	2				2
(b) Salary	\$125,000				\$125,000
(c) Fringe Benefits	\$35,000				\$35,000

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist II					
(a) Number of FTEs	1				1
(b) Salary	\$32,500				\$32,500
(c) Fringe Benefits	\$9,100				\$9,100

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2005: 72

% Vacant 7.4%

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 6 of 33

C. (1) Title: Parenting and Family Literacy Services

(2) Summary Description: National Research informs us that a parent is the first and primary teacher of a child. Since the 1960's, the face of South Carolina's parents has changed each year. The changes include fewer fathers in the homes, mothers who work outside the home regularly, most children being born as Medicaid births, and more parents who are below the age of 20 and/or have dropped out of school. The demographics and statistics demand that our state provide relief to low literate-high poverty parents, a child's first teacher, whose children are age's birth – age 5. That relief needs to be in the form of family literacy programs, statewide. Services must be provided so that parents can improve their own educational standing which will lead to increased economic sufficiency, children will be provided quality early care and education, parents' skills in the role of parenting will improve, and parents and children together will receive coaching in literacy development. There are over 5,000 parents in South Carolina whose young children desperately need the services of quality parenting programs.

(3) Strategic Goal/Action Plan: 3.1 –As the number of children in South Carolina born to poverty has increased over the last years, it is necessary to increase the funding for families and young children in order to meet the demands of low literacy and high poverty populations in our state. This population is ill prepared to provide the early care and educational needs of young children. This plan is meeting the Baldrige requirement of being responsive to the needs of the customers outside the organization.

D. Budget Program Number and Name: XI.B – Parenting and Family Literacy

E. Agency Activity Number and Name: 737 – Parenting and Family Literacy Services

F. Detailed Justification for Funding

The family literacy model is an integrated model in that the parents are receiving multiple services as well as the children. The parents attend parenting meetings, receive home visits, receive a GED or other appropriate educational level improvement, are able to find quality early education or care for their young children, and are coached in necessary literacy development strategies with their young children. On a national level through research, we learn that this integrated model of services leads to higher outcomes for both the parent and the child. Testimonies from hundreds of young parents in our state support the need for funding of this program. Those who have the opportunity to be served in quality, integrated sites credit these programs with providing the impetus for “getting their lives in order” after dropping out of school, becoming a parent, losing a job, or other stressful and poverty cycled events. Each year, as news of successes from quality programs spread, the waiting lists of parents who need services grow. In order to ensure that more parents in our state from lower literacy levels and higher poverty levels have children who enter school on equal footing, it is necessary to ensure the funding of statewide parenting and family literacy programs.

(1) Justification for Funding Increase: Funding is necessary to meet the readiness need of children in our state. Increased information about the development of the young child and brain research informs us that the needs of the young child cannot wait. Babies must be cuddled, talked to, and nurtured. Baby talk is necessary to the development of the cells in those young brains. Proper rest, stimulation, cares, and nutrition is essential. For a two week old, next month is too late. It is crucial that the needs of impoverished, poorly educated young parents be met so they can successfully provide for their young children. Annual data has been reported from the state's EIA funded parenting/family literacy programs. Year after year, our state has documented that children whose parents have been served in these programs have fared as well their nonservice peers in school settings. This is a phenomenal finding because families who qualify for the programs are from low literate and high poverty backgrounds.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		1.00			1.00
(b) Salary		\$60,000			\$60,000
(c) Fringe Benefits		\$15,000			\$15,000
Pass-Through Funds		\$5,000,000			\$5,000,000
Other Operating Expenses					
Total	\$ 0	\$5,075,000	\$ 0	\$ 0	\$5,075,000
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	
Federal	
Other	\$5,859,601

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: There are family literacy/parenting programs in each of the 85 school districts. These programs must be integrated and of high quality in order to continue providing the results that have been seen in our state over the past few years. It is very difficult to get the concept of integration of services understood to most program directors. Few program directors come to the position with background or knowledge in quality parenting programs. The needs of program development and program integration must be overseen well by the State Department of Education.

(1) Justification for New FTEs

(a) Justification: In order to visit programs, provide professional development, ensure integration of services, provide educational local resources to programs, and adequately track the development of programs, it is necessary to have a FTE in the office of early childhood education whose primary function will be to provide support services to the education associate who delivers professional development for program directors, provides technical assistance to programs, coordinates monitoring services, implements evaluation plans. There is an existing professional FTE dedicated to overseeing the family literacy programs but there is not sufficient support staff to effectively carry out communication with programs, compile detailed reports, input program data, and schedule site visits.

(b) Future Impact on Operating Expenses of Facility Requirements: Many school building principals and directors do not have any expertise in parenting or parent education. The concept of “one stop shop” for parents and young children is increasingly becoming a model of excellence. In one site, children, ages 0 – 5, can receive education and/or care, parents can receive GED or other appropriate adult education coursework, parents can receive parenting assistance, parents can learn about other community based or state resources which may be available to them, parents and children together can practice under the leadership of a parent educator the early literacy skills that are necessary for the educational development of the child, parents and children may receive ESOL services, parents and children may receive appropriate medical and health services, and local and regional literacy programs can expand educational services which may lead to appropriate employment for parents. It may be necessary for the state to evaluate the costs in renovating old school sites, businesses, or other structures to make them safe, healthful, and appropriate for both adult and child learners.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs	1				1.00
(b) Salary	\$60,000				\$60,000
(c) Fringe Benefits	\$15,000				\$15,000

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State
Federal
Other 1

Agency-wide Vacant FTEs as of July 31, 2005: 72
% Vacant 7.4 %

H. Other Comments:

- A. Agency Section/Code/Name:** Section 1, H63—Department of Education
- B. Priority No.** 7 of 33
- C. (1) Title:** Education Accountability Act (EAA) Assessment System.
(2) Summary Description: EAA Assessment System—PACT, High School Assessment Program, Alternate Assessments, South Carolina Readiness Assessment, and End-of-Course Tests
(3) Strategic Goal/Action Plan EAA Assessment—Strategic Aim 1: High Student Achievement. Goal 1.2: Students demonstrate essential knowledge and skills as described in the curriculum standards.
- D. Budget Program Number and Name:** XI.A.2 – Student Testing EAA Assessment; XV. – Education Accountability Act
- E. Agency Activity Number and Name:** 759 – Assessment and Testing Activities
- F. Detailed Justification for Funding**
(1) Justification for Funding Increase: Current year projected cost of EAA assessment program is \$24,550,787; additional cost of \$2,300,00 is estimated for HSAP Science development. Prior year appropriation was \$16,940,171.

Assessment Program/Component	Contract Costs	Comments
Palmetto Achievement Challenge Tests (PACT) are required by the 1998 S.C.Code Ann 59-18-340 (Supp. 2002 and the No Child Left Behind Act of 2001, 20 USU 6301 et seq. (2002) (NCLB)	\$11,708,628 and \$2,000,000	(administration, scoring, customized materials options) (item development)
High School Assessment Program (HSAP) serves to meet federal requirements for a high school examination under NCLB as well as State requirements under the EAA.	\$3,985,042	
Alternate assessments for PACT and HSAP are administered to meet the requirements of section 612(a)(17)(A) of the Individuals with Disabilities Act (IDEA) and NCLB.	\$1,425,000	
HSAP Science Exit Examination - Development, field-testing, standard setting. Test must be operational NLT SY 2007-08. NCLB mandates a science exit exam.	\$2,300,000	
The assessments comprising the End-of-Course Examination Program are required under the EAA	\$3,292,117 \$1,000,000	(rapid scoring)
The South Carolina Readiness Assessments are required by the EAA	\$50,000	
Assessment of Limited English Proficient Students	\$500,000	
Performance Tasks for the Identification of Gifted and Talented students.	\$480,000	
Technical Advisory Committee	\$40,000	
SCASS Membership	\$70,000	
TOTAL	\$26,850,787	

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Other Operating Expenses		\$9,910,616			\$9,910,616
Total	\$ 0	\$9,910,616	\$ 0	\$ 0	\$9,910,616

(3) Base Appropriation:

State	
Federal	\$6,300,000 Estimated but no confirmation
Other	\$15,939,612 EIA, and \$1,000,559 EIA

(4) Is this priority associated with a Capital Budget Priority? NO. If so, state Capital Budget Priority Number and Project Name: NA.

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 8 of 33

C. (1) Title: South Carolina Testing Task Force Recommendations to the State Legislature

(2) Summary Description:

Data Warehouse and On-line Assessment:

In its recommendations to the State Legislature, the South Carolina Testing Task Force recommended that the state position itself to administer and score all assessments electronically.

Formative Tests for Schools and Districts:

In its recommendations to the State Legislature, the South Carolina Testing Task Force recommended that the state provide a formative assessment system.

(3) Strategic Goal/Action Plan: High Student Achievement. 1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.

D. Budget Program Number and Name: XI.A.2 – Student Testing Assessment (New Initiative)

E. Agency Activity Number and Name: 759 – Assessment and Testing Activities

F. Detailed Justification for Funding:

(1) Justification for Funding Increase:

Data Warehouse:

In its deliberations, the South Carolina Testing Task Force expressed interest in the completion of the data warehouse. While their recommendations did not expressly include a data warehouse, they did ask for a study of technology infrastructure in the state. Assuming that the study provides useful information that can be included in the FY2007 appropriations, it seems prudent to include the data warehouse request. Costs are outlined below.

		Create a comprehensive metadata repository for all elements
Data Inventory	\$ 35,000	(collections, repositories, reports)
Data Dictionary	\$ 20,000	Establish a definitive set of metadata by element as agency standard. Map to SIF, NCES.
Enterprise Architecture	\$ 35,000	Create a high-level schema for identity management, portal/presentation vertical reporting, and data persistence/views.
Data Access Rules by Element	\$ 20,000	Document access rules for each element in context (raw, masked, aggregate, etc.)
Program Requirements	\$ 10,000	Document the types of users and needs of each user type.
High Level Design	\$ 10,000	Establish prototypical view/report types for each user type and a high level design for the data warehouse.
Detailed Specifications	\$ 75,000	Document mapping of data inventory and data access rules to high level design.
Technical Specifications	\$ 125,000	Establish data model and engineering specifications for data warehouse.
Engineering	\$ 200,000	Build phase 1 (limited scope) data warehouse
Data Loading	\$ 200,000	Load data into phase 1 data warehouse.

Total \$ 730,000

On-line Assessment:

In its recommendations to the State Legislature, the South Carolina Testing Task Force recommended that the state position itself to administer and score all assessments electronically. The task force based its recommendation on several factors including rapid reporting and paper reduction. The task force indicated that a plan for online assessment would have the benefit of providing technology for use in instruction throughout the school year.

The State currently administers online assessments in the End-of-Course Examination Program (EOCEP) on a voluntary basis. Some districts are unable to take advantage of the option because they lack the technology infrastructure. EOCEP makes fewer demands on the system than PACT or HSAP would make because not all students are tested and there is no specified single day for administration. EOCEP testing is spread over 4–6 weeks and may be given at different times of the day. PACT and HSAP must be administered on specified days and times. The load would be too great for our present system to bear. In order to make schools ready for online testing for all testing programs, we have borrowed the formulas used by the state of Virginia in which all tests are to be administered online. Virginia uses a formula of \$50,000 per district added to \$26,000 per school. These costs would be incurred in

our state using this formula: \$4,250,000 for districts; \$6,474,000 for high schools; \$6,552,000 for middle schools; and \$16,536,000 for elementary schools. The total is \$33,812,000.

Formative Assessment:

In its recommendations to the State Legislature, the South Carolina Testing Task Force recommended that the state provide a formative assessment system. The following section is excerpted from the report made on February 14. The state should provide a formative assessment system that allows educators to monitor student progress during the school year. This system should provide diagnostic information in a timely manner to all school districts for each student. Just as businesses need measures of leading and lagging indicators to assure quality, schools need timely, reliable, and valid measures of student performance periodically during the school year to plan instruction at the beginning of the year and adjust it during the year. A testing program that provides only an end-of-year assessment is insufficient. Sometimes referred to as benchmark tests, measures of progress that are closely aligned to the end-of-year assessment and that correlate highly with it will enhance instruction and help parents, educators, and students work toward improvement.

Formative assessments may be used to analyze general strengths and weaknesses in instruction, to consider placement and planning for the next grade level, to plan instruction based on data, and to understand the performance of students individually and across achievement categories. Data from these assessments should reside at the school and district level (not state) because this is where they will be used. However, because the match to the end-of-year assessment is so critical, financial and technical state-level support for this assessment is vital to its development or procurement. Many school districts do not have the resources to evaluate and purchase these assessments and for those that do, it is less cost effective for each district to develop or procure the assessments individually.

The Department intends for the money to be flow-through for districts so that they can fund a formative system of their choice. The cost estimate is based on the per pupil cost of @\$9 (MAPS) for 670,000 students K–12 based average daily membership. The Department has provided a checklist to districts for their use in evaluating formative assessment systems. Development of a formative system will be included in future revisions of the testing program. In the interim, the Department recommends making funds available (\$9 per student) to districts so that they can purchase formative systems utilizing the checklist provided by the Department. Formative tests will **not** replace the statewide summative assessment, as reconfirmed in the first recommendation of the Testing Task Force. Recurring funds are needed because the formative systems typically are priced on a licensure or per test basis.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3.00			3.00
(b) Salary		\$134,000			\$134,000
(c) Fringe Benefits		\$37,520			\$37,520
Pass-Through Funds	\$33,812,000	\$6,432,169			\$40,244,169
Other Operating Expenses	\$730,000				\$730,000
Total	\$34,542,000	\$6,603,689	\$ 0	\$ 0	\$41,145,689
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	
Federal	\$6,309,439
Other	\$17,177,891

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: A Database Administrator I will be required in the Office of Technology to manage the assessment database, which contains all information required to administer and provide any online tests that are developed. An Applications Analyst II will be required by the Assessment office to design interfaces, which may be required to provide access to the assessment database and for online testing. This staffer will coordinate online testing for the Department. An Administrative Specialist will be required to assist the Applications Analyst II.

(b) Future Impact on Operating Expenses of Facility Requirements: Equipment: 1 **Dell Poweredge 2850** server to be used to host any online testing applications. The cost of this server is estimated to be **\$9,863.08**. 1 **Dell Poweredge 2850** server to be used to host the online testing database. The cost of this server is estimated to be **\$9,863.08**. A rack will also be required to install the servers in the computer room. The cost of the rack will be **\$3,982.12**. The total cost of equipment will be **\$23,708.28**. Office space, computers, telephones, etc. would add costs as well.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Database Administrator I					
(a) Number of FTEs	1				1
(b) Salary	\$55,000				\$55,000
(c) Fringe Benefits	\$15,400				\$15,400

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II (Applications Analyst II)					
(a) Number of FTEs	1				1
(b) Salary	\$55,000				\$55,000
(c) Fringe Benefits	\$15,400				\$15,400

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist II					
(a) Number of FTEs	1				1
(b) Salary	\$24,000				\$24,000
(c) Fringe Benefits	\$6,720				\$6,720

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State
Federal 1
Other 4

Agency-wide Vacant FTEs as of July 31, 2005: 72
% Vacant 7.4%

H. Other Comments:

A. **Agency Section/Code/Name:** Section 1, H63—Department of Education

B. **Priority No. 9 of 33**

C. **(1) Title:** Institute of Reading

(2) Summary Description: The Institute of Reading (IR) is a collaborative effort to mobilize education, business, and community resources to ensure that all children learn to read independently and well by the end of third grade (Section 59-5,135 (A), South Carolina Code of Laws, 1976, as amended in 1999). As a means of reaching this goal, the South Carolina Reading Initiative (SCRI) was created and implemented in 2000–01. In 2001–02, Proviso 1A.52. (SDE-EIA: XI.A.3-Institute of Reading) called for the expansion of the South Carolina Reading Initiative to the middle grades by requiring that existing Institute of Reading funding be used to implement a comprehensive approach to improving the reading abilities of students in the middle grades and accelerating the learning of middle grade students reading below grade level with strategies based on best practice and providing targeted assistance, shown by research, to help these students to read at grade level. During FY06, the SCRI model is being implemented statewide in 53 of the state's 85 school districts as follows:

Initiative	Districts	Schools	Literacy Coaches
SCRI K-5 Phase 1 (Continuing Contact)	15	42	22
SCRI K-5 Phase 2	10	27	22
SCRI K-5 Phase 3	13	31	31
SCRI-MG Phase 1	16	36	28
SCRI-MG Phase 2	19	26	26
SCRI-HS	25	28	28
SC READS	18	30	31
SCRF	23	52	54

All of these initiatives are being funded by either state or federal funds. SCRI K-5 Phase 1, 2, and 3 are being funded with K-5 Lottery funds; SCRI-MG is being funded by the Institute of Reading; and SC READS and SC Reading First are being funded by both state and federal funds.

(3) Strategic Goal/Action Plan: The Institute of Reading relates to three of the Agency's strategic goals—Accountability: Standards for Teaching and Learning, School Leadership, and Teacher Quality. Through the South Carolina Reading Initiative (SCRI), the Institute's major initiative, we are providing long-term, intensive professional development to administrators and teachers. Led by a literacy coach, administrator/teacher teams at participating schools across the state meet to conduct systematic inquiry into reading research and practice and to discuss related issues and questions that arise in schools and classrooms. By developing a strong knowledge base about literacy, administrators and teachers will be able to make informed and effective curricular and instructional decisions. This, in turn, will impact their literacy practices and the achievement of their students.

D. **Budget Program Number and Name:** XI.A.3 – Governor's Institute of Reading; III – High School Reading Initiative

E. **Agency Activity Number and Name:** 711 – Professional Development on Reading to Teachers - Institute of Reading

F. **Detailed Justification for Funding**

(1) Justification for Funding Increase: Increased funding for the Institute of Reading is requested to expand SCRI to the high school level. Using federal Reading First grant funds and state K–5 Lottery funds, the agency will be able to continue implementing the elementary component of SCRI, as well as the middle school mandate of Proviso 1A.40. Increasing funding from \$1,312,874 to \$2,962,874 for the Institute of Reading will enable us to train a cohort of 25 high school literacy coaches serving 25 high schools throughout the state. The \$1,650,000 increase will provide 25 \$50,000 grants for a total of \$1,250,000 to support the implementation of SCRI-HS in 25 districts and \$400,000 to pay for the training of the coaches, including materials. Since the inception of SCRI in 2000-01, the high schools have clamored for this type of ongoing, inquiry-based professional development for their teachers. If the high schools are to succeed with both state and national assessments such as the English I End-of-Course test, HSAP, and the New SAT, teachers need intensive professional development in best practices in the teaching of reading and writing for adolescents. SCRI is poised to provide this professional development.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				\$1,250,000	\$1,250,000
Other Operating Expenses				\$400,000	\$400,000
Total	\$ 0	\$0	\$ 0	\$1,650,000	\$1,650,000
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 500,000
Federal	
Other	\$1,312,874

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 10 of 33

- C. (1) Title:** EAA Data Collection and Reporting System (SASIXp – School Administration Student Information)
(2) Summary Description: To provide annual maintenance fees for the flexible Windows-based data collection and reporting system and the Student Unique Numbering System (SUNS for Testing) provided by the state to all public school districts to facilitate educational accountability. These maintenance fees are stipulated under the terms of the existing state contract.

In addition, funds are required to expand the technical capacity of data warehouse data collection and validation using Student Unique Numbering System for Testing and School Interoperability Framework. Also, to support this effort the agency network infrastructure must be upgraded.

(3) Strategic Goal/Action Plan: 1.5 The state educational system components are accountable and aligned so that all students reach a high level of academic achievement. Goal 5.3: Educational leadership is accountable.

D. Budget Program Number and Name: XI.A.4 – Data Collection-SASI; Student Unique Numbering System

E. Agency Activity Number and Name: 755 – Data Collection-SASI

F. Detailed Justification for Funding

(1) Justification for Funding Increase: SASI forms the backbone of data collection and reporting system (SASIXp) for all public school districts to meet educational accountability requirements by providing a responsive data collection, storage, retrieval, and reporting system for the school districts and public school students. The software requires annual maintenance fees for continued operation and support. Districts are dependent on this software for school administration, curriculum and assessment and state reporting. School funding is distributed based on data collected and reported through this system.

South Carolina became the first state in the nation in 1986 to have all schools automated. Through this model, districts realized the efficiencies of automation. The SASIXp software system upgraded the original software provided in 1986 and the state has been able to collect a higher level of data with increased accuracy.

In 2005, the State Department of Education implemented the first in the nation statewide School Interoperability Framework Student Unique Numbering System for Testing needed for assessment, longitudinal studies, state and federal reporting. The contract for the installed software requires maintenance fees for continued operation and support. Districts and the agency are dependent on this software.

NCLB/EAA Data Requirements. Data collection, analysis, and dissemination are integral to the education reform process and central to establishing accountability. As a result, demands for information and data analysis have grown exponentially in public education in recent years.

Implementing the Education Accountability Act of 1998 (the EAA) requires extensive data collection by the state's public education system as a part of this comprehensive set of education reforms and reporting requirements. To meet the EAA data demands, our schools and educators established greater data sets, enlarged collection/integration capacity, and heightened the sophistication of the analyses. The Student Unique Numbering System (SUNS for Testing) provides the unique number to allow tracking of students and longitudinal studies. The increased demand for data collection from 1132 schools on a regular basis requires extensive upgrading of the agency network infrastructure.

No Child Left Behind (NCLB), institutes even higher student performance requirements and demands more creative programs and activities to improve student achievement. NCLB mandates even more drastic increases in the types of data collected, its analysis, and forms of reporting required of schools, districts, and the state for compliance purposes. Additionally, the higher performance goals established by this federal law require more sophisticated analysis of the information for improvement and accountability. Even with the EAA data foundation, NCLB requirements threaten to overwhelm our present information systems' capacity for data collection and analysis.

The National Conference of State Legislatures, in a review of the NCLB legislation, expressed concern about the fiscal impact of specific provisions of the law. The group noted that the data collection and reporting requirements of the Act could be significant and could cost \$5 to \$10 per student in total K–12 enrollment in a given state

\$1,158,155	SASlxp and SUNS Data Collection and Reporting System Maintenance
\$1,548,450	Data Analysis, Validation, Longitudinal Studies and Agency Network Infrastructure
\$2,706,605	Total FY2007 Request
\$1,940,745	Total FY2006 Appropriation
\$765,860	Total 2007 Increase

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Other Operating Expenses				\$765,860	\$765,860
Total	\$ 0	\$ 0	\$ 0	\$765,860	\$765,860

**If new : are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State	
Federal	
Other	\$ 1,940,745

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

FY2006 appropriation for this activity was \$1,940,745 For Data Collection – SASI. For FY2007, the amount required for data collection, SASI and SUNS for Testing, and agency network infrastructure – \$1,049,375 for SASI maintenance, \$108,780 for Student Unique Numbering System (SUNS for Testing) maintenance, and \$1,548,450 for data warehouse data analysis, validation, network infrastructure and vertical reporting from SASlxp using School Interoperability Framework. FY2007 total required is \$2,706,605, which represents a \$765,860 increase from the FY2006 appropriated amount of \$1,940,745.

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 11 of 33

C. (1) Title: Teacher Quality: Teacher Advancement Program (TAP)

(2) Summary Description: Many schools in South Carolina annually fail to meet AYP, have high teacher turnover, and are not able to fill every classroom with a highly qualified professional educator. As a result of these shortcomings, many children in South Carolina remain “Left Behind.” However, in the schools implementing the Teacher Advancement Program (TAP), fewer of these students are getting left behind because there is such a focus on improvement for all students. The level of student achievement has clearly been identified as the need. Research indicates the single most important school factor in a child’s education is the teacher in the classroom. The purpose of the Teacher Advancement Program is two-fold. One goal is to recruit and retain qualified and highly motivated teachers with better pay and incentives for student performance. Second, the program is designed to provide teachers with remediation of their pedagogical skills through directed collaboration with colleagues. TAP is both expanding and continuing to provide assistance to the current schools within the program. The Executive State Director and Executive Master Teacher provide schools with on-going professional development and feedback continually focused on growth for all teachers and subsequently students. They concentrate on specializing the implementation of the program at their specific sites through continual on-site visits. Further, there are two fronts to the expansion and continuation; the TAP foundation provides assistance with program implementation and funding of the program director’s salary. However, there are no funds allocated for payouts to schools that demonstrate success.

(3) Strategic Goal/Action Plan: Teacher Quality

D. Budget Program Number and Name: XI.C – Teacher Quality; IV. – Teacher Quality

E. Agency Activity Number and Name: 748 – Teacher Advancement Program (TAP)

F. Detailed Justification for Funding:

(1) Justification for Funding Increase:

The effects of TAP on education and the economy present a ‘win-win’ scenario. The successes of TAP are well documented with quantitative data. The topics and scope of the on-going professional development combined with teachers’ Individual Growth Plans mean teachers are addressing the needs of ALL of their students so that none are “Left Behind.” Often the schools that choose TAP are rural and high-poverty. They are currently in a Catch-22 situation. They do not have industries to provide the tax base to fund quality schools. Because the schools are of low quality, they are unable to produce a well-educated workforce that would attract new industry and ancillary businesses.

Currently, TAP works with the South Carolina Department of Education and the local schools and districts to assure everyone is aware of grants, funding sources, and deadlines for each. For the current 2005-06 school year, schools are using a variety of funding sources to allocate the \$400/pupil expense for TAP. They are using Title I, Title II, and Title V funds in addition to Alternative Technical Assistance, federal grants, state Title II federal funds, private grants, and district allocations.

The increase in funding will ensure that participating schools receive detailed feedback on students’ value-added growth for sequential academic years, correlated to their specific teachers. This data clearly shows the effectiveness with actual student gains compared with projected student gains. The systematic data analysis through state, district, and teacher developed assessment assures that education is quantitatively focused to address the individual needs of all students, and thereby assuring that ‘no child is left behind.’ However, tracking the growth of students is insufficient without also tracking the growth of their respective teachers. The new PAMS system provides a clear and quantitative way to track teacher growth according to a detailed instructional rubric for schools implementing TAP. The school receives charts and statistical data which indicate problem areas.

Two schools, in particular demonstrated increased levels of student achievement. Beaufort Middle School and E.B. Morse Elementary School both scored two standard deviations above a representative sample for the 2003-2004 school-year in both Language Arts and Math. Indeed, seventeen of the twenty categories tested were at least two standard deviations above the representative sample. One or two categories were four or five standard deviations above the representative sample.

The increased funding provides the resources necessary to achieve the strategic aim of Teacher Quality. While twelve schools are in the program for 2005-06, many districts and schools have made contact with SCTAP to express interest in the program. Currently, the state director is working with those schools in the application and set-up process. Lack

of funding will make it nearly impossible to assist these schools. The requested increase provides funding for the expansion of this program and the inclusion of these schools.

The growth and expansion of TAP in South Carolina has primary and secondary benefits. As TAP expands, student achievement in those schools increases; this statistic is clearly documented. Also, with the expansion of the program, Master and Mentor teachers are cultivated within existing TAP schools and will often chose to move to new TAP schools taking their expertise and experience to guide these new schools in the program. One major goal is to build the local capacity of teaching within these schools. This clear career ladder and support structure will attract high-quality teachers from surrounding states and keep educators in South Carolina.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		\$6,756,000			\$6,756,000
Total	\$ 0	\$6,756,000	\$ 0	\$ 0	\$6,756,000
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State
Federal
Other

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Pass-Through Funds for TAP

Payouts for current TAP Schools	\$500,000	\$500,000	\$500,000
Payouts for 20 additional TAP Schools	20 x \$80,000	\$1,600,000	\$1,600,000
Master teacher salary plus fringe (based on 3 master teachers, 19% fringe, and a \$60,000 base)	20 x \$214,200	\$4,284,000	\$4,284,000
Mentor stipends (3 mentors at \$4000 each)	20 x \$12,000	\$240,000	\$240,000
Travel expenses	20 x \$5,000	\$100,000	\$100,000
PAMS on-line data collection system	20 x \$1,600	\$32,000	\$32,000
Total			\$6,756,000

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 12 of 33

C. (1) Title: Education Accountability Act, School Assistance, Intervention, and Reward

(2) Summary Description:

The Education Accountability Act (EAA) of 1998 states that schools designated as unsatisfactory or below average are eligible to receive special services from the state. These services may include the following intervention, and assistance: external review, technical assistance, homework centers, teacher specialists, principal specialists and retraining grants. Some services are contingent upon external review team recommendations and subsequent State Board of Education (SBE) approval. In addition, the EAA establishes the Palmetto Gold and Silver Awards Program to recognize and reward schools for academic achievement.

External Review/Intervention and Assistance. The EAA states that when schools receive a rating of unsatisfactory or upon the request of a school rated below average, an external review team must be assigned by the State Department of Education (SDE) to examine school district educational programs, actions, and activities. The results of the external reviews are used to develop technical assistance plans for each school. Technical assistance to the schools is tailored to the needs of each school. Currently, SDE is providing technical assistance to schools rated unsatisfactory or below average using a tiered approach consisting of three tiers. The tier 1 schools receive the most aggressive assistance that include a principal leader, a curriculum specialist, teacher specialists, and an external review and additional technical assistance. Services and intervention for schools in tier 2 include a teacher specialist and a curriculum specialist. Tier 3 does not have a principal leader or curriculum specialist but may have teacher specialists and/or curriculum and instruction facilitators. All tiers receive an external review/audit and SDE support. For the 2005–06 school year, all unsatisfactory schools will benefit from services as mandated by S.C. Code Ann. § 59-18-1500 *et seq.* Therefore, this budget reflects a delivery system in which all schools rated unsatisfactory or below average receive external reviews and varied technical assistance based on level of performance.

Technical Assistance (Teacher Specialists, Alternative Technical Assistance, Technical Assistance to Below Average and Unsatisfactory Schools, Principal Leaders). The EAA specifies that teacher specialists will be assigned, based on external review team recommendations, to unsatisfactory schools and to below average schools as requested at the rate of one per grade in elementary schools and one per core subject area in middle and high schools. Per proviso, teacher specialist may be assigned to kindergarten, special education, limited English proficient, and based on enrollment if recommended by the review team. The salary for each specialist is set as the regular salary plus benefits from their home-based district, or the statewide average teacher salary for teachers who resigned from their districts or those who have no home district, plus 50 percent of the current southeastern average teacher salary. The purpose is to assist schools in improving teaching and learning in order to improve students' academic performance. The EAA charged the SDE with the development of a program to identify, select, and train a pool of educators with a history of exemplary student academic achievement to serve as teacher specialists on site. After the selection of the teacher specialists by district superintendents, they receive on-going support, training, and staff development from SDE program coordinators (S.C. Code Ann. § 59-18-1530).

Principal Specialist. The EAA provides that a principal specialist may be hired for a school designated as unsatisfactory, if the district board of trustees chooses to replace the principal of the school (S.C. Code Ann. § 59-18-1530). By proviso, a principal specialist may be assigned to below average schools if recommended by an external review team.

Principal Mentors. The EAA requires that each principal continued in employment in schools and districts designated as below average or unsatisfactory must participate in a formal mentoring program with a principal (S.C. Code Ann. § 59-18-1540). SDE working with the EOC shall design a mentoring program and provide a stipend to those principals serving as mentors.

Retraining Grants. The EAA mandates the establishment of Retraining Assistance Grants. The program objectives are to promote school planning (school renewal plan) that will improve student performance as measured by the report card, to assist schools in planning and delivering professional development that builds the capacity of the faculty and administration to implement the school renewal plan, and to promote parental and community support and involvement. Schools rated unsatisfactory and below average are eligible for retraining (professional development) grants for their faculty and administration. In order to receive the grants, the schools must revise their school renewal plans. A committee of district strategic planning coordinators and Southern Association of Colleges and School representatives developed a model revision process to be used by schools eligible for retraining grants so that the revised school renewal plans would reflect high standards, improved student academic performance, effective

professional development activities, and strong parental involvement. Schools were trained in the model revision process and were provided additional assistance as needed in developing quality plan revisions focused on the improvement of student academic performance.

Homework Centers. The EAA requires that the SBE establish grant programs to fund homework centers in schools and districts designated as below average and unsatisfactory.

Palmetto Gold and Silver Awards. The EAA mandates the establishment of the Palmetto Gold and Silver Awards Program to recognize and reward schools for high levels of academic performance or for high rates of improvement. The program is operated by the SDE in accordance with program criteria established by the Division of Accountability of the Education Oversight Committee (S.C. Code Ann. § 59-18-1100).

Report Card. The EAA mandates the issuance of an annual report card for all schools and districts (S.C. Code Ann. § 59-18-900).

(3) Strategic Goal/Action Plan:

External Review/Intervention and Assistance. School intervention, the external review, and technical assistance fully support the vision and mission statement for the SDE. The mission statement indicates that the SDE will “provide leadership and services to ensure a system of public education in which all students become educated, responsible, and contributing citizens.” Every strategic aim is addressed in the intervention and assistance program. The clear focus of this program is high student achievement, educational leadership, and teacher quality.

Technical Assistance (Teacher Specialists, Alternative Technical Assistance, Technical Assistance to Below Average and Unsatisfactory Schools, Principal Leaders). Technical Assistance is consistent with the SDE’s mission statement to “provide leadership and services to ensure a system of public education through which all students will become educated, responsible, and contributing citizens.” The program supports the SDE’s strategic aims of high student achievement by improving teaching and, therefore, learning; teacher quality—through coaching, mentoring, training, and professional development, the teacher specialists improve the capacity, effectiveness, and competence of teachers in low-performing schools; early childhood education—teacher specialists at the kindergarten level to improve kindergarten teaching and learning; and education leadership—the teacher specialists coach, mentor, train, and provide professional development opportunities to empower teachers to assume greater leadership in student academic improvement. The specific strategic goals supported by the Teacher Specialists On-Site Program for high student achievement are 1.1, students are held to rigorous and relevant academic standards; 1.2, students demonstrate essential knowledge and skills as described in the curriculum standards; and 1.3, students graduate from high school ready for college or a career. For teacher quality, the strategic goals supported are 2.3, teachers are qualified, competent, ethical, and caring, and 2.4, teacher professional development programs are effective. Early childhood education supports strategic goals 3.1, children enter the first grade ready to learn and succeed, and 3.2, children have access to quality early childhood programs. The strategic goal supported for education leadership is 6.4, professional development programs support education leaders. The action plan is for the SDE program coordinators for the Teacher Specialists On-Site Program to identify, select, and train a pool of educators with a history of exemplary student academic achievement to serve as teacher specialists on site. Once teacher specialists are placed in schools, the SDE program coordinators provide continuing support, training, staff development, monitoring, and evaluation.

Principal Specialist. The Principal Specialist Program supports strategic aims 6.1, school leaders are highly qualified, caring, and supportive.

Principal Mentors. Principal Mentors is consistent with SDE’s mission statement to “provide leadership and services to ensure a system of public education through which all students will become educated, responsible, and contributing citizens.” The focus of this program is on school leadership. The Principal Mentor Program supports strategic aim 6.1, school leaders are highly qualified, caring, and supportive.

Retraining Grants. Retraining Assistance Grants program is consistent with SDE’s mission statement to “provide leadership and services to ensure a system of public education through which all students will become educated, responsible, and contributing citizens.” The Retraining Grants support SDE’s strategic aims of Teacher Quality and Education Leadership. The specific strategic goals supported by the program are 2.4, teacher professional development programs are effective, and 6.4, professional development programs support education leaders.

Homework Centers. Strategic Goal 1: High Student Achievement. Homework Centers provide focused after school assistance for children performing below basic.

Palmetto Gold and Silver Awards. The SDE's operation of the Palmetto Gold and Silver Awards Program is consistent with its mission statement to "provide leadership and services to ensure a system of public education through which all students will become educated, responsible, and contributing citizens." The Palmetto Gold and Silver Awards Program supports the SDE's strategic aim of high student achievement by encouraging, recognizing, and rewarding schools for high academic performance and high rates of improvement. The specific strategic goals supported by the program are 1.1, students are held to rigorous and relevant academic standards, and 1.2, students demonstrate essential knowledge and skills as described in the curriculum.

Report Card. Provide EAA accountability and reporting.

D. Budget Program Number and Name: XI.A.4. – EIA, Standards for Teaching, Learning, Accountability-Assistance Intervention, and Reward; Section 1AA – Education Lottery

E. Agency Activity Number and Name: 725 – External Reviews, 723 – Teacher Specialist-Assistance and Technical Support; 728 – Principal Specialist, Mentors, and Leaders; 721 – Homework Centers, 724 – Retraining Grants, 726 – Palmetto Gold and Silver Awards Program

F. Detailed Justification for Funding

(1) Justification for Funding Increase: External Review Teams and Intervention. The program supports the statutory requirements for intervention and assistance in schools rated unsatisfactory. The effectiveness of this program will be measured by the number of schools served that improve their performance and are no longer rated as unsatisfactory. Funds are required to serve all schools rated unsatisfactory and below average. Funds support external review teams, internal review, and external review team audits. Current year appropriation request is for \$474,010; prior year appropriation was \$586,800; appropriation change is -\$112,790.

Technical Assistance (Teacher Specialists, Alternative Technical Assistance, Technical Assistance to Below Average and Unsatisfactory Schools, Principal Leaders). The EAA in S.C. Code Ann. § 59-18-1530 mandates the appointment of teacher specialists on site, if recommended by the external review team, for schools designated as unsatisfactory or below average schools requesting assistance. By proviso, SDE may use alternative technical in stste of emergency districts. Funds appropriated for alternative research-based technical assuistance must be allocated to below average and unsatisfactory schools based upon the school's enrollment and school type with no school receiving less than \$100,000 or more than \$300,000 annually. The EAA requires school report cards to be issued and low-performing schools are designated. The report cards will highlight schools' performances so that needed changes can be addressed through various strategies to support continuous improvement. The Teacher Specialists On-Site Program may be the most powerful of the strategies as it provides to teachers on-going classroom instructional assistance to increase teachers' instructional competencies that will improve student performance. Measures to be used to evaluate the effectiveness of the Teacher Specialists On-Site Program may include school report card absolute and improvement scores, student performance on assessments (such as PACT, Exit Exam, SAT, the South Carolina Readiness Assessment, and classroom-authentic assessments), percent of students on academic assistance plans, percent of students on academic probation, percent of students retained, percent of dropouts, high school graduation rates, percent of graduates entering postsecondary education, percent of graduates qualifying for LIFE scholarships, percent of teachers with an increased knowledge and implementation of the content standards, percent of teachers exhibiting improved instructional practices, and percent of teachers receiving sustained professional development activities aimed at the improvement of student academic performance. A preliminary study showed greater gains in student performance in schools with teacher specialists than in similar schools without teacher specialists. Surveys of principals and teachers in schools with teacher specialists indicate a high level of satisfaction with the Teacher Specialists On-Site Program. Current year total appropriation request is for \$43,298,185; prior year total appropriation was \$31,173,016 (Teacher Specialist \$15,087,776; Alternative Technical Assistance \$4,000,000; Technical Assistance to below average and unsatisfactory schools \$10,810,000; Principal Leaders \$1,275,240); appropriation increase is \$12,125,169.

Principal Specialist. SDE projects the need for 17 principal specialists. Current year appropriation request is for \$2,641,139; prior year appropriation was \$2,278,799; appropriation increase is \$362,340.

Principal Mentors. Request provides for a \$27,000 stipend for 15 principal mentors. Current year appropriation request is for \$405,000; prior year appropriation was \$33,135; requested increase is \$371,865.

Retraining Grants. Unsatisfactory and Below Average schools are provided retraining grants. Once a school qualifies for a retraining grant, the EAA allows for the grant to be renewed for two consecutive years. As schools move from a lower rating to a higher rating, the school may still be eligible for a grant. Also, schools that are just above the below average rating and slip to just in the below average rating will qualify for a grant. Projected average per certified staff

is \$450 with an average per school of \$20,250. For the current year, SDE projects approximately 276 schools will require full retraining grants and 30 schools will require \$10,000 planning grants. Current year appropriation request is for \$5,944,000; prior year appropriation was \$5,565,000; requested increase is \$379,000.

Homework Centers. Requested funding for homework centers is based on \$35,000 per center times projected 218 homework centers at unsatisfactory (28) and below average (190) schools. In addition, \$485,000 is projected for National About Face Program. Current year total appropriation is for \$8,115,000; prior year appropriation was \$6,810,000; requested increase is \$1,305,000.

Palmetto Gold and Silver Awards. In accordance with the EAA, the Palmetto Gold and Silver Awards Program recognizes and rewards schools for academic achievement. Measures to be used to evaluate the effectiveness of the Palmetto Gold and Silver Awards Program may include school report card absolute and improvement scores, the number of schools qualifying for the awards, and the public recognition provided to qualifying schools. Current year appropriation request is for \$4,000,000; prior year appropriation was \$3,000,000; requested increase is \$1,000,000.

Report Card. Current year cost of printing and distributing the EAA report is projected at \$1,000,947; prior year appropriation was \$971,973; requested increase is \$28,974.

EAA Summary. Current year total request is \$65,878,281; prior year appropriation was \$50,418,723; requested increase is \$15,459,558.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		\$15,572,348		\$-112,790	\$15,459,558
Total	\$ 0	\$15,572,348	\$ 0	\$-112,790	\$15,459,558
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$33,135
Federal	
Other	\$49,446,750

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments: NA

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No.** 13 of 33

C. **(1) Title:** Summer School

(2) Summary Description: The Education Accountability Act establishes and provides for the Academic Plans for Students Program in section 59-18-500. The legislation requires that each district provide summer school or year-long comprehensive remediation to students who continue to perform below grade level after receiving general academic assistance for an academic year.

(3) Strategic Goal/Action Plan: Strategic Aim 1, High Student Achievement. Provide statewide leadership and services to schools and districts to ensure implementation of grade-level standards-based instruction for all students. Strategic Goals:

- 1.1 Students are held to rigorous and relevant academic standards.
- 1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.
- 1.3 Students graduate from high school ready for college or a career.
- 1.4 Students use technology to reach higher levels of learning.
- 1.5 The state educational system components are aligned so that all students reach a high level of academic achievement.

D. **Budget Program Number and Name:** XI.A.4 – Assistance, Intervention and Reward - Education Accountability Act, Summer Schools.

E. **Agency Activity Number and Name:** 679 – Summer Schools

F. **Detailed Justification for Funding**

(1) Justification for Funding Increase: Several research studies have shown that high quality summer school programs can have a significant impact on student achievement and greatly reduce the number of students retained (Denton 2002, 3). However these studies, including the July 2001 report by the South Carolina Educational Policy Center, point out that most existing programs do not meet the standard of “high quality.”

The research consistently identifies five factors that make a summer program effective:

- high quality teachers;
- adequate, reliable funding;
- an emphasis on reading and math;
- a climate of innovation and creativity; and
- a comprehensive plan for research and evaluation of program results. (Denton 2002, 9)

Denton, David. *Summer School: Unfulfilled Promise*. Atlanta, GA: Southern Regional Education Board, 2002.

Monrad, Diane M. and John May. *Year 2000 Summer School in South Carolina: A Follow-up Study*. Columbia, SC: South Carolina Educational Policy Center, College of Education, University of South Carolina, 2001.

In FY2006, the General Assembly increased the appropriation for summer school from \$21 million to \$31 million. However, \$25,232,021 was from non-recurring EIA funding. This request for \$25,232,021 is to annualize the FY2006 nonrecurring amount.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		\$25,232,021			\$25,232,021
Total	\$ 0	\$25,232,021	\$ 0	\$ 0	\$25,232,021
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State
Federal
Other \$5,767,979

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63—Department of Education

B. Priority No. 14 of 33

C. (1) Title: Textbooks and Instructional Materials

(2) Summary Description: Textbooks and instructional materials. Provides textbooks and instructional materials for children, grades K–12 in each subject area as adopted by the State Board of Education to include consumables and replacement of older adoptions.

Textbooks and instructional materials audits and compliancy monitoring. State owned textbooks and other instructional materials in use by the public school system have a total inventory value at cost of \$223,539,080. The state expends in excess of \$40,000,000 annually to provide the latest materials in all subject areas on a six-year replacement cycle. This request is for FTE's to support the audit of state owned textbook accounts in 85 school districts and 1,100 public schools to assure that these resources are properly used and maintained.

(3) Strategic Goal/Action Plan: High Student Achievement, Students are held to rigorous and relevant academic standards.

D. Budget Program Number and Name: VII.B. – Instructional Materials

E. Agency Activity Number and Name: 760 – Instructional Materials -Textbooks

F. Detailed Justification for Funding

(1) Justification for Funding Increase:

Textbooks and instructional materials. The increase in funding is essential for providing replacements of materials used in the public school system six or more years. Recent copyrighted textbooks and instructional materials are aligned with the latest South Carolina Academic Standards.

Textbooks and instructional materials audits and compliancy monitoring. Request provides for increased on-site monitoring and quality control. Recent on-site audits of two school state owned textbook accounts in the same school district identified substantial discrepancies in the number of lost textbooks reported in the annual physical textbook inventory that schools must complete. At one school for example, there was a discrepancy of 1,528 books reported lost. Approximately 374 of those books were sold to a home school agency, but reported in the physical count. At the other school, the audit found 47 new books missing that the school had tossed in the dumpster according to a local newspaper. Failure to identify these discrepancies would have resulted in a loss of revenue to the state of \$60,269. Together the two schools lost 3,261 books. The replacement cost of the books to the state from state appropriated funds is \$147,736. The two schools collected approximately \$15,000 in fees for lost textbooks from students and parents, substantially less than the replacement cost of the books. Clearly there exists a lack of accountability for state owned textbooks in these two schools as demonstrated by these audit results. While sufficient data are not available to extrapolate these results to the entire public school system, each year the cost of maintaining the older adoptions is considerable. In 2003-04 the state expended about \$11,000,000 for replacement textbooks or 29% of the total appropriation for textbooks. Schools will not hold teachers, parents and students accountable for taking care of their textbooks until the state holds schools accountable.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*				4.00	4.00
(b) Salary				\$161,064	\$161,064
(c) Fringe Benefits				\$45,098	\$45,098
Other Operating Expenses		\$27,509,273			\$27,509,273
Total	\$ 0	\$27,509,273	\$ 0	\$206,162	\$27,715,435

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State \$37,498,804
Federal
Other

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

(1) Justification for New FTEs

(a) Justification: A two-person audit team can audit approximately 192 school state owned textbook accounts in a year, but on the average, schools would be audited only once in ten years. A five to six year audit cycle could be maintained with a two-person audit team. The cost to the state for these new FTE's and related travel expenses will be more than offset from the collection of additional revenue from lost textbook fees. Increased accountability for state owned textbooks in the public schools will reduce the amount expended for replacement textbooks thereby providing more funds for newly adopted material.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Auditor III					
(a) Number of FTEs			4.00		4.00
(b) Salary			\$161,064		\$161,064
(c) Fringe Benefits			\$45,098		\$45,098

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State 4
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2005: 72
% Vacant 7.4%

H. Other Comments: Breakdown of requested increase:

2005 Adoption Areas (New)

Integrated English Language Arts, Grades 6–8	\$18,275,950
Family Life Education 1 and 2, Grades 9–12	\$174,072
Human Development: Responsible Life Choices, Grades 9–12	\$155,000
Sports Nutrition, Grades 9–12	\$162,940
Health and Safety, Grades 6–8	\$3,573,393
Personal Health and Wellness, Grades 9–12 (Health and Safety, Grades 9–12)	\$727,506
Family and Community Health, Grades 9–12 (Health and Safety, Grades 9–12)	\$727,506
Social Studies, Grades K–8	\$25,711,710
Maintenance and Elementary Consumables	\$12,500,000
Science Kit Refurbishment	3,000,000
Total Needed for 2005 Adoption Years	\$65,008,077
Current Level of Funding	\$37,498,804
Increase in Funding for FY 06-07	\$27,509,273

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 15 of 33

C. (1) Title: Students Health and Fitness Act of 2005 (Act 102, R129, H3499).

(2) Summary Description: To provide resources to implement the Students Health and Fitness Act of 2005. First, the Act requires support for South Carolina Coordinated School Health Program Development and Comprehensive Health Education implementation and program assessment. Action plan: Develop and implement a pilot assessment program for Health and Safety Education in the 2006-07 school year as required by the Student Health and Fitness Act of 2005. Assist schools with establishing Coordinated School Health Advisory Councils (CSHAC) inclusive of community partners as required by the Student Health and Fitness Act of 2005. Provide the District level CSHACS with tools and resources for improving a variety of school health programs. Second, this act requires an increase in the amount of physical education instruction and physical activity a student in kindergarten through fifth grade must receive each week on a phased-in basis; provides for a certain physical education teacher to student ratio on a phased-in basis; provides for a measure of effectiveness of the physical education program in all public schools; provides fitness reports to parents; provides for a physical education activity director; provides for the appropriation of funds for licensed nurses for elementary public schools; provides certain nutritional standards in elementary schools; provides for a coordinated school health model and an assessment program for school health education programs; provides the minimum amount of time elementary school students must have to eat lunch; provides for the establishment of a district level and an elementary school level coordinated school health advisory council and provides its powers and duties; provides for a weekly nutrition component of the health curriculum; and provides that implementation is contingent upon the appropriation of funding.

(3) Strategic Goal/Action Plan: Strategic Aim 1, 5 High Student Achievement, Teacher Professional Development, and Safe and Healthy Schools. To help students demonstrate essential knowledge and skills as described in the curriculum standards and help schools become safe, healthy places with environments that are conducive to learning and promote the health, safety, and well-being of students.

Strategic Goals:

- 1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.
- 1.5 The state educational system components are aligned so that all students reach a high level of academic achievement.
- 5.1 Schools are safe, healthy places with environments that are conducive to learning.
- 5.4 Schools form community and state alliances that promote the health, safety and well-being of students.

D. Budget Program Number and Name: Act 102, R129, H3499 – The Student Health and Fitness Act of 2005. (New initiative)

E. Agency Activity Number and Name: 764 – Coordinated School Health V Programs

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The Student Health and Fitness Act of 2005 requires the State Department of Education (SDE) to provide a coordinated school health model and training opportunities to districts and schools. It also requires the SDE to develop an assessment to measure the effectiveness of Health Education programs in the public schools and basic school bus transportation service for the public school system. This includes the following

- Funds to provide for staff at the SC Department of Education to implement provisions of the Student Health and Fitness Act including health education program assessment and implementation (\$227,528).
- Funds to support the development of a program assessment for school health education and implementation of a pilot in 2006-07 (\$400,000).

In addition, funding is required to enact and amend the Code of Laws of South Carolina, 1976, by adding Chapter 10, entitled physical education, school health services, and nutritional standards in elementary schools. The General Assembly finds that:

- South Carolina ranks tenth in the United States for the number of overweight and obese people;
- The number of overweight children in South Carolina has tripled since the 1960s;
- South Carolina ranks first in the number of strokes, third in heart disease, and tenth in diabetes;
- Twenty-five percent of children age five to ten have high cholesterol, high blood pressure, or other early warning signs of heart disease;
- Regular physical activity helps to improve strength and endurance, prevents obesity and controls body weight, helps build healthy bones and muscles, and reduces anxiety and stress;
- Newly completed research shows a significant relationship between academic achievement and physical fitness;

- According to a national report, for the first time in one hundred years the current generation of people will have a shorter life span than the previous generation due to a sedentary lifestyle.
- Furthermore, one goal of public education is to assist all students in reaching their full academic potential and that a child's health impacts his school attendance, readiness to learn, potential learning and achievement.

In Article I of this Act there are five paragraphs that deal with physical education and physical activity, 59-10-10 through 59-10-50. As a result of the Fiscal Impact Statement submitted to the General Assembly, these items are submitted for the physical education or physical activity section of the bill to provide the goals of 59-10-10 for students in K-5 to have the equivalent of 30 minutes daily (150 minutes per week) of physical education and/or physical activity by 2008-09. In 59-10-20 the student to physical education teacher ratio of per pupil funding is reduced from the current 800-1 to 700-1 in 2006-07. This is based on a current and projected ratio of 330,000 students enrolled in K-5 elementary schools. The 2006-07 fiscal impact of this reduction in student to physical education teacher ratio is estimated to be 60 teachers at \$50,800 salary and fringe or \$3,048,000.

In 59-10-20 estimated projection added to the base student cost is \$3,048,000.

The following sections of the Act would be placed in Curriculum and Standards.

In 59-10-30 estimated projections for training for the physical activity director at each elementary school require non-recurring professional development funds of \$10,230.

In 59-10-50 the projection for the administration of the South Carolina Physical Education Assessment Program to assess Physical Education Standards and program effectiveness in grades 2, 5, 8 and high school is estimated to be \$400,000. The SDE will contract with the provider. These costs are annually recurring state funds.

In 59-10-60 District schools with poorly performing physical education effectiveness scores shall receive professional development. SDE will contract for training approximately 300 teachers per year from under-performing schools for two-day training at nine regional sites. This estimate is an annually recurring cost of \$64,812.

(The figures in this budget proposal are taken from the initial Fiscal Impact Statement for H3499 and the subsequent changes in estimated fiscal impact when the House Bill was changed from minutes per week to a ratio of PE teacher per student.)

(2)

FY 2006-07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3.00	2.00		5.00
(b) Salary		\$155,207			\$155,207
(c) Fringe Benefits		46,562			\$46,562
Pass-Through Funds		\$3,048,000			\$3,048,000
Other Operating Expenses	\$10,230	\$890,571			\$900,801
Total	\$10,230	\$4,140,340		\$ 0	\$4,150,570

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State
Federal
Other

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: The Student Health and Fitness Act of 2005 mandates the development and piloting of a program assessment for health education to determine the effectiveness of school health education programs in teaching to the SC Health and Safety Standards. This new law also mandates that the SDE will provide Coordinated School Health Program models to districts and schools and provide training opportunities to assist with improving school health programs.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Program Assistant					
(a) Number of FTEs	1				1
(b) Salary	\$33,288				\$33,288
(c) Fringe Benefits	\$9,986				\$9,986

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate (program director and assessment coordinator)					
(a) Number of FTEs	2	2			4
(b) Salary	\$121,919				\$121,919
(c) Fringe Benefits	\$36,576				\$36,576

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2005: 72

% Vacant 7.4%

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 16 of 33

C. (1) Title: Technology

(2) Summary Description: K–12 Technology Initiative. In order to comply with the Education Accountability Act of 1999 and Proviso 72.48, to address technology shortfalls in schools as identified by the October 2000 KPMG study and to continue to implement the South Carolina Educational Technology Plan, funding is required for school technology. These funds are recommended to include: statewide connectivity, state virtual library, digital content development, district hardware and software, technology professional development, and networking academies.

(3) Strategic Goal/Action Plan: K–12 Technology Initiative. Goal 1.4: Students use technology to reach higher levels of learning. Goal 1.5: The state educational system components are accountable and aligned so that all students reach a high level of academic achievement. Goal 5.3: Educational leadership is accountable. Goal: 6.4 Teacher professional development programs are effective.

D. Budget Program Number and Name: Program was deleted in FY 2006 Appropriation Act and funded with unobligated nonrecurring EIA funds which would have been obligated for school buildings.

E. Agency Activity Number and Name: 757 – Technology Initiative, 755 – Data Collection SASI

F. Detailed Justification for Funding

(1) Justification for Funding Increase: In 1996 the General Assembly identified technology as a means to assist schools in meeting their educational objectives. Since that time the K–12 School Technology Initiative, has made great strides in integrating technology into the classroom. South Carolina was one of the first five states nationally to achieve Internet connectivity for all public schools. Students in all school districts have high-speed access to the worldwide resources of the Internet. In addition, use of DISCUS, the state’s virtual library, has increased 11% in FY04 with over 6.05 million articles being accessed in the 2003-04 school year. Likewise, the use of Knowitall.org, the state’s standards-based curriculum web site, has seen substantive increases in both visitors and available content during FY05. The number of visitors to Knowitall.org increased almost two and one half times from the previous year. Eight new programs and features were added to Knowitall.org including the *Sandlapper Magazine Online*, *EyeWonder Online*, and *Instant Replay*. Much of these increases are the result of extensive teacher training in the use of technology in the classroom. Funds have also been provided for statewide implementation of a flexible Windows-based data collection and reporting system that will ensure accountability for the districts.

Unfortunately, the state’s technology is aging. In 2000, KPMG Consulting surveyed the state’s schools and found that over 1/3 of the computers being used in the classrooms were so dated that many of the resources available to the schools were not accessible through these computers. Since 2000, very limited funds have been available to the districts to address this problem. In addition, scarce funds have caused the state to scale back its computer rebuild program. In the past, this program had provided many rebuilt computers to the schools. While South Carolina was once able to boast one of the best student to computer ratios in our schools, the state is losing ground in relation to the national scale. The percentage of schools with at least half their teachers using computers for planning and teaching on a daily basis has declined since 2003 to less than 79%, according to the Education Week’s “Technology Counts”. The state has experienced a decline or leveling-off of integration and expertise and the state has had to operate with a reduced amount of flow-through money available to the districts. Additionally, the state has been unable to adequately provide for the increased bandwidth requirements of districts needed as the Internet becomes a bigger part of the instructional picture and more applications require greater bandwidth.

Student and school performance expectations and the state’s economic future require, actually demand:

- Adequate Internet connectivity;
- Student access to a multi-media computer able to handle education software;
- Distance learning facilities available;
- A data warehouse and retrieval system enlarged;
- Replacement of 127,000 low capacity computers;
- Quality professional development on-line access for every teacher

The budget presented below will enable the state to meet these expectations. Without this funding, the state will simply maintain the status quo or fall farther behind in achieving educational goals through the use of technology.

\$40,200,000	Distribution to Schools: To provide replacements for low capacity outdated/obsolete equipment and expand base of equipment to meet state goals for improved student access as defined in the South Carolina Educational Technology Plan
18,000,000	Continuation of Network Connectivity: To provide Internet connectivity to all schools and public libraries. (Total required for network connectivity is \$18 million: (\$10 million from anticipated ERATE refunds; \$8 million from appropriated funds.)
463,100	SASI Training: To provide funding for statewide web-based professional development, on SASI and ABACUS systems, to school and district faculty and staff.
764,928	Professional Development: The South Carolina Online Professional Development Initiative (SCOPD) is growing exponentially, and has experienced an average increase of 8% in participation each semester. The purpose of SCOPD is to provide South Carolina educators who cannot attend traditional face-to-face classes because of time and schedule constraints, with an online professional growth program that provides anytime access to courses for graduate and/or re-certification credit.
135,000	Electronic Portfolio System: Based on the International Society for Technology in Education (ISTE) standards, the electronic portfolio system will establish a model for effectively measuring the technology proficiency of teachers and administrators. The portfolio submission model will allow a more standardized method for evaluating the technology proficiency for teachers and administrators as required by SC Proviso 1.26.
94,600	Administrator Technology Leadership Training: The new National Education Technology Plan from the United States Department of Education identifies effective technology leadership as its #1 priority. Both research and practical experience confirm that effective leadership is the primary factor in successful school reform. Administrator training will serve the technological needs of K-12 school administrators resulting in increased teacher proficiency and enhanced student achievement.
782,713	Automatic reporting of SASI data between schools, districts, and SDE (SIF): This request is to expand the existing Student Unique Numbering System for Testing SASIxp school interoperability framework agent to provide a real-time transfer of SASI information from schools to districts to SDE, eliminating most of the current SDE data collections, which require manual intervention and assistance from district technology staff.
2,265,460	DISCUS: South Carolina's virtual library: To provide funds for subscriptions to reference materials.
1,350,000	Digitization Project: To provide continued development of Knowitall.org, which provides standards-based content for students and teachers, and continued digitization of content from ETV vaults.
1,100,600	ITFS Network Services: To provide for maintenance of receivers, towers and antennas for ETV Distance Education Learning Centers.
70,357	ETV/ITV Teacher Institutes: To provide statewide workshops for teachers featuring ETV/ITV resource use (Partnership between DOE/ETV and Math-Science Hubs).
100,000	ETV Satellite: To provide funding for the new Education Satellite lease agreement.
<u>175,000</u>	ETV/ITV Video-on-Demand: South Carolina's instructional Video-on-Demand library, StreamlineSC—To provide funds for maintaining infrastructure and management of online multimedia reference materials made available to all students and teachers in South Carolina.
\$65,501,758	Total FY 2007 Appropriation Request
\$ 0	Total FY 2006 Appropriation
\$65,501,758	Total FY 2007 Increase (funded with nonrecurring unobligated EIA funds)

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		\$40,200,000			\$40,200,000
Other Operating Expenses		\$25,301,758			\$25,301,758
Total	\$ 0	\$65,501,758	\$ 0	\$ 0	\$65,501,758
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State
Federal
Other

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No.** 17 of 33

C. **(1) Title:** Teacher Quality: Incentives for Special Educators

(2) Summary Description: South Carolina, as well as the rest of the country, is experiencing a severe shortage of special education teachers. It has always been challenging to recruit and retain special education teachers, but the demands on these teachers have increased significantly with the passage of the No Child Left Behind Act. Special Education teachers must be certified in their area(s) of exceptionalities as well as demonstrate content competence in each subject area that they teach. They must also help ensure that the special education subgroup of students meet the requirements of Adequate Yearly Progress (AYP).

(3) Strategic Goal/Action Plan: Teacher Quality

D. **Budget Program Number and Name:** XI.C – Teacher Quality; IV. – Teacher Quality

E. **Agency Activity Number and Name:** 742 – Teacher Quality (New Initiative)

F. **Detailed Justification for Funding:**

(1) Justification for Funding Increase:

School districts are faced with a tremendous shortage of special education teachers. They are going to extraordinary measures to recruit candidates to teach special education and they consistently come up short. The colleges and universities in South Carolina are not able to produce enough special education teachers to meet the demands of the school districts, and there are not surpluses of special education teachers in other states for the school districts to import. Many young people have not been exposed to teaching special education as a career option, and, therefore, there is not a sufficient pool of people who are interested in pursuing teaching special education as a career.

It is also difficult to retain teachers in the field of special education. The challenges of accountability, working with parents, meeting the disparate needs of individuals, and often not seeing satisfactory progress all contribute to the high burnout rate among special education teachers. Special education teachers often move into “regular” classrooms as soon as the opportunity is available. In fact, some special education teachers are so desperate to teach something else that they request that certification as a special education teacher be removed from their teaching certificate. The lack of certified and highly qualified special education teachers has become so severe that some districts are resorting to using international teachers to teach special education. In fact, some districts have all or almost all of their special needs students being taught by international teachers.

In order to recruit and retain a sufficient supply of special education teachers, we request funding of a \$7,500 scholarship per year for four years for 200 candidates to pursue teaching special education. The State Department of Education will develop an application process to determine which students are selected for the scholarship. In return for the scholarship, each candidate will agree to teach special education in South Carolina one year for each year they receive the scholarship. If they are unable to fulfill their obligation, they will repay the money to the state. In addition, we request that each full-time special education teacher be paid a \$5,000 stipend for teaching special education students. Part-time special education teachers should be paid the pro-rata share of the stipend according to the amount of time they teach special education.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				\$24,095,000	\$24,095,000
Other Operating Costs				\$100,000	\$100,000
Total	\$ 0	\$ 0	\$ 0	\$24,195,000	\$24,195,000

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State
Federal
Other

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63-Department of Education

B. Priority No. 18 of 33

C. (1) Title: Teacher Quality. Program of Alternative Certification for Educators (PACE) (formerly the Critical Needs Certification Program); Teacher Certification; Educator Database Support and Development

(2) Summary Description:

Program of Alternative Certification for Educators (PACE):

To address critical teaching shortages in South Carolina, the South Carolina General Assembly provided for a conditional certification program as part of the 1984 Education Improvement Act. The purpose of the program is to enable degreed individuals, who otherwise do not meet certification requirements, to gain employment in the public schools in a critical need subject area and/or in a critical geographic area where teacher shortages exist, as determined annually by the State Board of Education.

The State Board of Education adopted the program design in 1985. During the first 20 years, Winthrop University, Coastal Carolina University, Converse College, and school district consortia served as program providers at various times.

Originally math and science were the only subjects on the list. Today the list has expanded to include art, business, dance, emotionally disabled (special education), English, foreign languages, family and consumer science, industrial technology, mathematics, media specialists, music and science. Subject area needs in South Carolina are determined based on the percentage of available positions in each content area that are filled with teachers who are not fully certified. Critical geographic areas include the fifteen districts with the highest average teacher turnover rate for the past three years and districts that have received an unsatisfactory rating.

In March 2001, the State Board of Education revised the guidelines for alternative certification in South Carolina to reflect the recommendations of the Governor's Commission on Teacher Quality. These recommendations included a program name change from the Critical Need Certification Program (CNCNCP) to the Program of Alternative Certification for Educators (PACE). The new PACE guidelines were implemented beginning June 1, 2001.

During the 1999-2000 academic year, there were 434 participants in year one, two, or three of the program. For 2000-2001 the program grew to 689 participants. Each year since 2001, there has been an average of 1100 participants statewide in year one, two, or three of the training program. Participants in PACE are changing the face of South Carolina's teaching population. While the state teaching population is 17 percent minority, 34 percent of PACE participants are minority. At the same time, 45 five percent of PACE participants are male compared to a state average of 17 percent. The average age of PACE participants is 35.

Each year, over 5,000 new teachers are hired by school districts in South Carolina. For the past three years, 6-10 percent of those new hires entered teaching through PACE. However, even with a program such as PACE in South Carolina, there were still over 450 teaching vacancies as of October 1, 2004.

In October 2002, the State Department of Education (SDE) was named the recipient of a five-year, Transition to Teaching federal grant. Over a period of five years (2002-07), this grant provides over \$2,000,000 in funding for alternative certification in South Carolina. During that time period, it only provides full funding for grant years two, three, and four. Start-up funding was provided during year one and close-out funding will be provided in year five. During this same period, the state has continued to fund the alternative certification program at a rate of \$321,000 annually.

Each year, over 2500 individuals apply for admission to PACE. About 670 of those who inquire meet all admission criteria and over 425 accept teaching positions and begin the training program.

The Transition to Teaching grant has allowed the SDE to coordinate and provide consistent training in five regional locations within the state. The training curriculum developed by the state is based on state and national standards and is taught by South Carolina's own classroom practitioners and higher education professionals. Participants are assessed to determine their readiness for the classroom and continuance in the training program. The training is provided by a team of South Carolina's top educators. Participants and school administrators have been very pleased with the quality of program participants and their readiness for the classroom.

Teacher Certification:

Currently the program has 3.5 FTEs. These include the Coordinator of Alternative Certification (state-funded), the PACE Counselor (federally funded), a PACE Certification Analyst (federally funded) and half-time administrative assistant (federally funded). PACE also has access to one Certification Analyst (state and federally funded) from the Office of Teacher Certification who is dedicated to processing PACE inquiries for current participants and new applicants.

Funding is requested to provide additional certification analysts (Program Assistant I) for the processing of certification requests. The Office currently has 12 analyst positions (none vacant) that provide staff for processing all requests, including the evaluation of over 3,000 new applicants annually for admission to the alternative certification program (PACE) and over 1,500 teachers currently participating in years one, two or three of that program in 2004-05. Overall, the Office processed approximately 78,000 certification cases in 2004-05, including 4,500 initial certificates, 15,000 renewals and add-on certificates, 677 out-of-field permits, and thousands of certificate upgrades for salary purposes. Office staff responded to over 68,000 e-mail inquiries, 74,000 phone calls and consulted with approximately 2,800 walk-in visitors. Staff also scanned 271,520 documents required for certification processing into the Teacher Certification database,

and prepared 240 cases for SDE or State Board of Education review and/or action relative to educator discipline cases (arrests, convictions, etc.) noted on fingerprint reports relative to initial teacher certification, and assisted in approximately 90 cases that resulted in public reprimands, suspensions, revocations, or surrender of certificates.

Although State Board of Education regulations have been revised and simplified to some degree, and certification processing has been modified to some degree because of requirements addressed in the No Child Left Behind federal act (elimination of certificates with waivers), and the conversion to a statewide certificate renewal system that results in more advisement and processing at the local school district level, the volume of requests to the office has still resulted in a processing delay of 10-12 weeks during the summer months. Delays are reduced to four-five weeks during the remainder of the year, but this is still far from acceptable. The employment of temporary or part-time staff is not a viable alternative because of the knowledge, understanding, and training related to certification regulations that is required of certification analysts. Therefore, it is requested that four new FTEs be funded to provide additional staff for the processing of requests to the Office of Teacher Certification.

Educator Database Support and Development:

To provide the analysis, development, and maintenance of the South Carolina Certification application which is primarily mandated by regulation and legislative provisos.

(3) Strategic Goal/Action Plan (if applicable): Teacher Quality

- 2.1 Teacher recruitment and retention programs are successful.
- 2.2 Teacher preparation programs produce highly qualified teachers.
- 2.3 Teachers are qualified, competent, ethical, and caring.
- 2.4 Teacher professional development programs are effective.

D. Budget Program Number and Name: XI.C.2, XI.E.3 – Teacher Quality

E. Agency Activity Number and Name: 744 – Alternative Certification Programs, 742 – Teacher Certification

F. Detailed Justification for Funding

(1) Justification for Funding Increase:

Program of Alternative Certification for Educators (PACE):

PACE serves a vital need in South Carolina of filling vacant teaching positions with highly qualified teachers. Without PACE, there would have been 1100 additional vacancies in 2004-05. However, PACE does not just place an individual in the classroom, but provides a complete accelerated teacher education program for minimal cost to the participant and/or school district.

Currently, through federal and state funding, PACE participants (or their school district) pay a minimal fee of not more than \$120 for the entire training program. Since PACE attracts individuals who are changing careers and PACE participants work in the greatest needs areas of South Carolina, the federal funding has allowed these individuals to make the transition to teaching without additional training costs.

With an average age of 35 years, most PACE participants already have established life expenses. In making the transition from another career to teaching, they often go a minimum of two to four weeks without a paycheck. While some school districts are able to cover any expenses associated with the PACE training, the greatest need districts that are served by PACE are not able to afford the full cost of training that is currently covered through federal funds. It is estimated that it would cost an average of \$3,500 to train each PACE participant. While that is economical when compared to a traditional college education, it would be a great burden for school districts who have multiple PACE participants. It is also anticipated that any increase in fee would greatly deter the recruitment of qualified career changers. PACE participants must also cover the cost of the required graduate coursework which is completed separate from the training program.

The federal grant has supported four years of program implementation. This has allowed the SDE to determine weaknesses that need to be addressed while being able to document the success of an alternative certification program in South Carolina. Essentially the federal funding has allowed PACE to establish five mini-colleges of education in regional locations statewide. The Office of Teacher Certification serves most functions of a college through recruitment, counseling, training, and ensuring completion of all requirements for professional certification.

Certification:

Four additional FTEs are needed in the Office of Teacher Certification to employ certification analysts who will be trained to interpret and apply State Board of Education regulations in the processing of thousands of requests to this office. The additional analysts will make it possible for the Office of Teacher Certification to reduce the current backlog of cases that reaches approximately 10-12 weeks during the peak summer months, and four to five weeks during the remainder of the academic year. Office space rental and equipment will be needed to house the additional staff members in addition to salary and fringe benefits.

Educator Database Support and Development:

The requested increase provides funding for the electronic processing of educator certification data warehouse and Web designed applications support for the state of South Carolina. The office currently contracts with an outside vendor to work an average of 50 hours per week at the rate of \$70.00 per hour resulting in total annual dollars spent of approximately \$150,000 per year. We have contracted this position for two years and seven months. The responsibility of the job provides system analysis, data research, data reporting, computer programming, and the level of expertise to maintain the systems that are programmed for the state. Our customers include parent requests of teacher certification status, teacher requests for application status, processing of the application, or any other certification changes generating a number of processes with the end result of data manipulation. We provide the development and support the means for the districts to update their teacher information, implement a statewide certificate renewal program, and report professional development renewal credentials. We provide information reporting for higher education entities to evaluate the first few years of their students who graduated from their teacher preparation accreditation programs. We process State Board of Education regulations that are created and revised which results in the development of program applications.

The No Child Left Behind Act has required us to provide statewide data management, data design and reporting, district level data reporting requests, including teachers and the para-professional staff. These applications require system analysis and system support and maintenance.

The employment of long term consultants is not cost effective nor is it a viable alternative because of the knowledge, understanding and training required for the intricacies of our mission. It literally takes years to understand the certification regulations that drive our applications. The increase in funding will result in providing resources required to improve and develop new systems from the Division's initiatives and mandates. The increased funding provides the resources necessary to achieve the strategic aim of Teacher Quality. Therefore, it is requested that two new FTEs be funded for Information Technology.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		12.00			12.00
(b) Salary		\$416,000			\$416,000
(c) Fringe Benefits		\$116,480			\$116,480
Pass-Through Funds					
Other Operating Expenses	\$163,268	\$514,306			\$677,574
Total	\$163,268	\$1,046,786	\$ 0	\$ 0	\$1,210,054
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 321,330
Federal	\$ 571,212
Other	

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name NA

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

Program of Alternative Certification for Educators (PACE):

Through PACE, the state of South Carolina is able to fill vacant teaching positions with highly qualified teachers who are committed to a career in education. However, just as with any teacher education program, it requires a qualified staff to recruit, counsel, and advise potential applicant and current participants. It also requires a qualified staff to manage the curriculum, instructors, and program growth.

Annually, there are 1,100 participants in PACE in year one, two, or three of program participation. PACE participants bring diverse perspectives and career experiences to the K-12 curriculum. Over the past year, recruitment activities have led to over 2,500 applications for PACE. About 670 of those who inquired met admission criteria and over 400 enter the teaching profession through PACE annually. Management of inquiries from potential participants and school district employers creates about 14,000 cases and 35,000 phone calls annually.

In addition to the management of inquiries from potential participants, current participants, and school districts, the staff working with PACE must also manage a cadre of 35-40 instructors and a curriculum with over 110 individualized lessons. For each lesson and for each of the 26 regular training days, materials, text and supplies must be available in five regional locations. Twelve days of the initial training are duplicated during December and January of each year for mid-year hires for a total of 38 training days annually.

To adequately manage this program, SDE is requesting funding for a PACE Recruiter and Counselor (currently federally funded), a PACE Training Program Coordinator, three PACE analysts (currently one is federally funded), and a PACE Administrative Assistant (currently .5 federally funded).

Teacher Certification:

Four additional FTEs are needed in the Office of Teacher Certification to employ certification analysts who will be trained to interpret and apply State Board of Education regulations in the processing of thousands of requests to this office. The additional analysts will make it possible for the Office of Teacher Certification to reduce the current backlog of cases that reaches approximately 10-12 weeks during the peak summer months, and four to five weeks during the remainder of the year. Funds for office space rental and equipment will be needed as well to accommodate these staff members.

Educator Database Support and Development:

Two additional FTEs are needed in the Division of Teacher Quality to employ programmer analysts who will support the technical design and management of data requirements statewide. The analysts will eliminate the expense of outside resources and provide a cost effective means for supporting the Agency's mission. Funds for office space rental and equipment will be needed as well to accommodate these staff members

(b) Future Impact on Operating Expenses or Facility Requirements: The request would require recurring expenses for salaries and fringe benefits for each of the six positions, office supplies, telephone, and office space rental. Initial (but non-recurring) costs would include office furniture and computers for the four positions that were not initially federally funded.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: PACE Recruiter and Counselor (Training and Development Director I)					
(a) Number of FTEs	1.0				1.00
(b) Salary	45,000				\$45,000
(c) Fringe Benefits	12,600				\$12,600

	State	Federal	Earmarked	Restricted	Total
Position Title: Position Title: PACE Training Program Coordinator (Training and Development Director I)					
(a) Number of FTEs	1.0				1.0
(b) Salary	35,000				\$35,000
(c) Fringe Benefits	9,800				\$9,800

	State	Federal	Earmarked	Restricted	Total
Position Title: Position Title: PACE Analyst (Program Assistant I)					
(a) Number of FTEs	2.0				2.0
(b) Salary	25,000				\$25,000
(c) Fringe Benefits	7,000				\$7,000

	State	Federal	Earmarked	Restricted	Total
Position Title: PACE Analyst (Program Assistant II)					
(a) Number of FTEs	1.0				1.0
(b) Salary	30,000				\$30,000
(c) Fringe Benefits	8,400				\$8,400

	State	Federal	Earmarked	Restricted	Total
Position Title: Position Title: PACE Administrative Assistant (Administrative Assistant II)					
(a) Number of FTEs	1.0				1.0
(b) Salary	28,000				\$28,000
(c) Fringe Benefits	7,840				\$7,840

	State	Federal	Earmarked	Restricted	Total
Position Title: Teacher Certification Analyst (Program Assistant I)					
(a) Number of FTEs	4.0				4.0
(b) Salary	120,000				\$ 120,000
(c) Fringe Benefits	33,600				\$ 33,600

	State	Federal	Earmarked	Restricted	Total
Position Title: Programmer Analyst					
(a) Number of FTEs	2.0				2.0
(b) Salary	\$108,000				\$108,000
(c) Fringe Benefits	\$30,240				\$30,240

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State 16.0
Federal 4.0
Other

Agency-wide Vacant FTEs as of July 31, 2005: 72
% Vacant 7.2%

H. Other Comments:

Nationwide, alternative programs produce as many as 35,000 teachers a year. The National Center for Education Information (NCEI) has been polling state departments of education since 1983 regarding alternatives to the traditional methods of certification. NCEI has noticed a growth in alternative programs from only eight states with programs in 1983 to forty-seven states with programs in 2005. Specifically, there are more than 600 alternative route programs operating nationwide. South Carolina is unique in that there is only one alternative certification program and it is managed by the State Department of Education.

Explanation of Program Services and Other Operating Expenses

PACE PROGRAM

Recruitment	22,000
Curriculum Development and Management	22,500
Training Location	71,500
Training Materials	50,000
Instructor Pay	229,470
New Special Education Training	61,000
PACE Office Location and Set Up	96,000
PACE Database Development	40,000
Equipment	11,300
Travel	9,000
Administrative Office Costs	17,600
Total	630,370

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 19 of 33

C. (1) Title: Teacher Quality: National Board for Professional Teaching Standards (NBPTS) Certification; Induction and Mentoring; Assisting, Developing, and Evaluating Professional Teaching (ADEPT)

(2) Summary Description:

National Board Certification. Section 59-26-85 provides for an incentive pay increase to teachers who become certified by the National Board for Professional Teaching Standards (NBPTS). The pay increase shall be determined annually in the appropriations act.

Additional funding is required to fund the increase in the loan amount from \$2,300 to \$2,500 per candidate beginning in January 2006.

Induction and Mentoring. Funding for this activity is requested in order to comply with the Teacher Quality Act (Act 393 of 2000). Its objective is to improve teacher quality by increasing teacher retention and reducing teacher turnover by establishing an effective mentoring program for South Carolina's public schools. The program will focus on the following three critical needs: each school district will have access to a mentoring program that will address the needs of beginning and experienced teachers; teacher attrition will be significantly reduced through the efforts of well-trained and supportive mentors; student achievement gains will be noted because of teacher retention and greater teacher effectiveness.

Research from 2003 indicates that teacher attrition rates for South Carolina are:

16.7% after the first year of teaching

27.5% after three years of teaching

33.5% after five years of teaching

The cost of teacher turnover is significant. It is estimated that the cost of replacing a teacher is 25-35% of the annual salary plus benefits. A Texas study reported the cost to a school district to be \$8,000 or more per recruit leaving in the first several years of teaching. Further, attrition exacerbates recruitment problems, particularly when teachers leave hard to staff schools and critical subject fields.

At present school districts in South Carolina are required to assign a mentor to each beginning teacher; however, the formal, sustained training of these mentors is minimal or non-existent across the state. If a foundation of professional development is provided for mentors, not only will teacher attrition decrease, but research indicates that more effective teaching has a direct positive correlation with higher student achievement.

The proposed budget request of \$12 million for 2006-07 will allow for initial training of mentors and induction providers, and advanced training of selected mentors (flow-through funding to the Center of Educator Retention and Advancement). Funding will also provide stipends or released time for mentors to work with beginning as well as experienced teachers. Additionally, funding will allow for the creation of an on-line mentoring system that will facilitate expert mentor consultation to remote school districts.

Assisting, Developing, and Evaluating Professional Teaching (ADEPT). ADEPT is South Carolina's system for promoting teacher effectiveness. According to state statute (Sections 59-26-30 and 59-26-40, Code of Laws of South Carolina, 1976) and State Board of Education Regulation 43-205.1, all public school districts and teacher education programs in the state are required to implement the ADEPT system. Additionally, the ADEPT system must be applied throughout all stages of teachers' careers. Specifically, the ADEPT system is based on ten teaching performance standards and includes the following primary components relative to these standards:

- training, assistance, and professional growth and development opportunities for teacher candidates;
- induction programs and mentoring assistance for first-year teachers;
- mentoring assistance and professional growth plans for teachers who are experiencing difficulties during their second or third year;
- formal evaluation that begins during teachers' second or third year;
- formal evaluation for experienced teachers who are exhibiting performance problems; and
- informal (goals-based) evaluation to support the continued professional growth of experienced teachers.

(3) Strategic Goal/Action Plan: Strategic Initiative: Teacher Quality

2.1 Teacher recruitment and retention programs are successful.

2.2 Teacher preparation programs produce an adequate supply of competent teachers.

2.3 Teachers are qualified, competent, ethical, and caring.

2.4 Teacher professional development programs are effective.

D. Budget Program Number and Name: XIII – National Board Certification; XI.C – Teacher Quality; XIII – ADEPT; I, III – Teacher Quality

E. Agency Activity Number and Name: 688 – National Board Certification (NBC) Incentive; New Activity Teacher Quality Induction and Mentoring; 693 – ADEPT

F. Detailed Justification for Funding

(1) Justification for Funding Increase:

National Board Certification. Provides funding for the projected increase in teachers achieving National Board for Professional Teaching Standards (NBPTS) certification and applicants for (NBPTS) certification. The FY2005 number of NBPTS certified teachers receiving the incentive is 3,625. Based on previous pass rates and current NBPTS certified teachers, the State anticipates having approximately 4,375 NBPTS certified teachers by November 2005 and a total of 5,125 by November 2006 (FY2007). The State also anticipates an additional 1,200 new applicants. Total current year appropriation request is for \$48,779,063; prior year appropriation was \$41,898,000; requested increase is for \$6,881,063. See paragraph H, Other comments, below.

Induction and Mentoring. Requested appropriation is for \$12,000,000. This will allow for initial training of mentors (approximately 5,000 statewide, training to be phased in over three years) and induction providers (1-2 persons per school district), and advanced training for successful mentors recommended by their districts (approximately 600). Funding will also provide stipends or released time for mentors to work with beginning as well as experienced teachers. Additionally, funding will allow for the creation of an on-line mentoring system (consultation by expert mentors) that will facilitate expert mentor consultation to remote school districts. Funding will also support the state administration of the mentoring initiative by providing three regional SDE trainers/residents (district staff members employed with flow-through funds from the requested mentoring appropriation) and provide flow-through funds to the Center for Educator Recruitment, Retention and Advancement (CERRA) for additional training staff, training materials, and associated costs to support the mentoring effort statewide, both for initial mentor training and advanced training for selected, experienced mentors. See paragraph H, Other comments, below.

ADEPT. The current level of appropriation is insufficient to cover the costs incurred by school districts, universities and colleges, and SDE for the conduct of the ADEPT program. The current pass-through appropriation is \$2,217,245. Requested pass-through appropriation is for \$3,754,009 which provides an increase of \$1,536,764. An appropriation of \$3,754,009 will provide the following, which more accurately reflects costs: \$5,000 base per school district and special school, plus \$986 per new teacher estimated at 3,000. Universities and colleges will receive base funding between \$9,500 to \$15,000 (depending on program size) plus an amount per student. SDE requires approximately \$100,000 to fund one Education Associate III position (\$69,000 salary; 19,320 fringe; \$11,680 other operating.

ADEPT Pass-Through. Results of the Comprehensive External Evaluation of the ADEPT System (Anderson, 2003) indicated that ADEPT “provides a clear and explicit definition of good teaching, contains clear expectations for teacher knowledge and performance, provides a common language for teachers and administrators to talk about good teaching, provides a common framework for consensus and collaboration, and focuses on the continued growth and development of teachers.” Additionally, this study revealed that ADEPT “has resulted in better prepared recent college graduates, novice teachers who are more able to make the transition to classroom teaching, more effective classroom teachers, an increase in teacher professionalism, an increased responsibility (teachers and administrators) for good teaching, and more positive administrator-teacher relationships.” Nonetheless, the study concludes that the current pass-through appropriation of \$2,217,245 is insufficient to enable school districts and teacher preparation programs at colleges and universities to appropriately implement all components of the ADEPT system. In FY 05, with funds allocated to districts based solely on the number of induction contract teachers in the district, twenty-one school districts (nearly 25%) received less than \$5,000 to support the entirety of their respective ADEPT programs. Teacher preparation programs faced similar funding shortfalls. One recommendation stemming from the Comprehensive External Evaluation of the ADEPT System (Anderson, 2003) is to add a minimum amount of ADEPT funding to every school district and teacher preparation program regardless of the number of induction contract or student teachers. For school districts, a minimum baseline of \$5,000 per district is recommended, with additional funding provided to each district on a per-induction-teacher basis. For teacher education programs, a minimum baseline of \$2,500 to \$5,000 per program is recommended (depending on the size of the program), with additional funding provided to each program on a per-student-teacher basis. Using this formula, a pass-through appropriation of \$3,717,500 is requested, representing an increase of \$1,500,255.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		1.00			1.00
(b) Salary		\$69,000			\$69,000
(c) Fringe Benefits		\$19,320			\$19,320
Program/Case Services					
Pass-Through Funds		\$17,381,318			\$17,381,318
Other Operating Expenses		\$3,011,680			\$3,011,680
Total	\$ 0	\$20,481,318	\$ 0	\$ 0	\$20,481,318
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$2,617,126 National Board Certification \$2,217,245 ADEPT
Federal	
Other	\$39,280,874 EIA, National Board

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs:

(a) Justification: A cyclical (five-year) review of the ADEPT system revealed areas for improvement in order to increase the rigor and effectiveness of the system (Anderson, 2003. An External Review of South Carolina's Assisting, Developing, and Evaluating Professional Teaching (ADEPT) Program.). As a direct result of this study, the ADEPT statute (Sections 59-26-30 and 59-26-40, Code of Laws of South Carolina, 1976) and State Board of Education Regulation 43-205.1 were amended, and new ADEPT Implementation Guidelines are currently under development. These changes necessitate the addition of one FTE to assist with the following functions:

- developing materials and procedures and conducting intensive training for personnel in all school districts and teacher education programs relative to the revised ADEPT performance standards and evaluation and assistance processes for student teachers, classroom-based teachers, school guidance counselors, library media specialists, and speech-language therapists;
- assisting school districts and teacher education programs in implementing the revised ADEPT performance standards and evaluation and assistance processes;
- monitoring school districts and teacher education programs to ensure fidelity of implementation of the revised ADEPT performance standards and evaluation and assistance processes; and
- collecting and analyzing teacher performance data and using this information to assist school districts and teacher education programs in making continuous improvements to their teacher evaluation and assistance processes that, ultimately, will result in increased student achievement.

The State Department of Education (SDE) currently receives funding for one FTE to oversee all facets of the statewide implementation of the ADEPT system. An additional FTE is required to fully implement the required changes to the system. The funding source is III (Division of Curriculum Services & Assessment—General Funds).

(b) Future Impact on Operating Expenses or Facility Requirements: No additional facilities are requested. Operating costs will be absorbed under the current budget allocation.

(2) Position Details:

Position Title: Education Associate III (ADEPT Associate)					
	State	Federal	Earmarked	Restricted	Total
(a) Number of FTEs	1.0				1.0
(b) Salary	\$69,000				\$69,000
(c) Fringe Benefits	\$19,320				\$19,320

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State 1.0
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2005: 72
% Vacant 7.4%

H. Other Comments:**CALCULATIONS:**

National Board Certification:

Salary: 5,125 NBPTS Teachers X \$7,500 = \$38,437,500
 Employer Contributions = \$38,437,500 X 0.1910 = \$7,341,563
 New Applicants = 1,200 X \$2,500 = \$3,000,000
 Total Required = \$48,779,063
 Less Prior Year Appropriation = -\$41,898,000
 Current Year Required Increase = \$6,881,063

NOTE: The national board certification impacts SC Average Teacher Salaries and is synchronized with the EFA, Teacher Specialist, and EIA Teacher Salary Supplement.

Induction and Mentoring:

Based on a \$12 million appropriation and approximately 6,215 teachers (induction, annual, annual-diagnostic, and continuing on formal evaluation), the appropriation would provide approximately \$1,931 per teacher for the purpose of implementing the induction and mentoring program statewide. Funds for flow-through purposes to the Center for Educator Recruitment, Retention and Advancement (CERRA) will account for \$748,200 of the \$9,000,000 requested in flow-through funding to provide for staff, training materials, and associated costs to support both the initial and advanced training of mentors statewide, in collaboration with staff at the SDE.

ADEPT

ADEPT Pass-Through Appropriation	
Base allocation per school district and special school: \$5,000 x 85	\$ 425,000
Per induction teacher add-on allocation: Estimated at \$750 x 3,000 induction teachers	\$ 2,250,000
Base allocation per teacher education program with fewer than 10 student teachers: \$2,500 x 5	\$ 12,500
Base allocation per teacher education program with ten or more student teachers: \$5,000 x 26	\$ 130,000
Per student teacher add-on allocation: Estimated at \$300 x 3,000 student teachers	\$ 900,000
Total ADEPT Pass-Through Appropriation Requested	\$ 3,717,500
Less Current ADEPT Pass-Through Appropriation	- \$ 2,217,245
Requested Increase in ADEPT Pass-Through Appropriation	\$ 1,500,255

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No. 20 of 33**

C. **(1) Title:** Young Adult Education

(2) Summary Description: The Young Adult Program (YAP) serves an overwhelming number 17-21 years of age who leave the traditional K-12 system and enroll in the local school district adult education program for the purpose of completing their high school credential.

(3) Strategic Goal/Action Plan: The goal is to actively recruit students specifically in the age category to enroll in adult education to complete their high school credential.

Strategic Goals:

3.1 Students successfully complete their high school credential.

3.2 Upon successful completion, students will enroll in postsecondary education, enter employment and/or the military.

D. **Budget Program Number and Name:** XI.A.1 – Education Improvement Act; Young Adult Education Program (YAP)

E. **Agency Activity Number and Name:** 740 – Adult Education (AE)

F. **Detailed Justification for Funding**

(1) Justification for Funding Increase:

In the last decade, the high school diploma completion rate has continued to decline giving South Carolina one of the lowest graduation rates in the nation. Because of the extremely high number of dropouts, adult education programs have become the dropout retrieval program for South Carolina. During the academic year of 2004-05, 75,000 adults between the ages of 17-82 were served in a variety of academic instructional levels. Adult education programs have experienced a particularly rapid increase in enrollment of students in the 17-21 age group. In 2003-04, 17,051 students 17-21 years of age enrolled in adult education. An additional 51,514 adults 22 years of age and older were also served.

Due to the alarming number of students leaving the traditional K-12 program and enrolling in adult education, adequate funding to meet the challenges of the “young adult” population continues to erode. The Education Oversight Committee (EOC) 2003-04 budget recommended funding adult education at \$1,000 per student in this age group. Based on this recommendation an additional \$1.6 million is requested each year, over a ten-year period, to adequately fund part time and full time teachers to assist in serving this population.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				\$1,600,000	\$1,600,000
Other Operating Expenses					
Total	\$ 0	\$0	\$ 0	\$1,600,000	\$1,600,000

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State	
Federal	
Other	\$1,600,000

(4) Is this priority associated with a Capital Budget Priority? NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. **Detailed Justification for FTEs:** NA

H. **Other Comments:**

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No.** 21 of 33

C. (1) **Title:** South Carolina Readiness Assessment

(2) **Summary Description:** In its recommendations to the State Legislature, the South Carolina Testing Task Force recommended that the South Carolina Readiness Assessment be bolstered and that a new assessment plan be considered for K–2.

(3) **Strategic Goal/Action Plan:** High Student Achievement. 1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.

D. **Budget Program Number and Name:** XI.A.2 – Student Assessment

E. **Agency Activity Number and Name:** 759 – Assessment and Testing Activities

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:** The Testing Task Force recognized the value of an assessment like the South Carolina Readiness Assessment when used properly. They further recommended that steps be taken to ensure effective and appropriate use. The recommendations included the following:

- (a) Continue the Department’s efforts to reinforce the SCRA’s appropriate implementation by providing updated staff development materials and training including ITV broadcasts.
- (b) Differentiate clearly between the Readiness Assessment’s ongoing documentation systems and the SCRAPI website.
- (c) Develop a minimum statewide data collection plan and an administrator verification system.
- (d) Develop and implement a long-term teacher-training plan designed to ensure the SCRA’s valid and reliable use within classrooms.
- (e) Develop, adopt, or adapt a developmentally appropriate formative reading assessment for use in first and second grades and modify SCRA to include additional literacy components for kindergarten.

To meet this recommendation completely, funding would be required for maintenance of the current system and development of a new system as indicated in the last point above. To maintain the current system, funds would be required for reprinting the Guidelines, training, and a distance education course for school administrators. Five FTEs would be required. One position in the Office of Assessment would be required for the development of a new readiness assessment and maintenance of the current SCRA. Three positions in the Office of Early Childhood would be required for teacher training and monitoring in classrooms. A position for administrative support would be needed, as well. Maintenance of the current system is estimated to cost \$520,000. (This includes \$220,000 for Guidelines books, the price paid in a the previous contract.) Development of a new system is estimated at \$4,000,000 for FY07.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		5			5
(b) Salary		\$256,000			\$256,000
(c) Fringe Benefits		\$71,680			\$71,680
Pass-Through Funds					
Other Operating Expenses		\$4,520,000			\$4,520,000
Total	\$ 0	\$4,847,680	\$ 0	\$ 0	\$4,847,680

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State	
Federal	
Other	\$50,000

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification: One position in the Office of Assessment would be required for the development of a new readiness assessment and maintenance of the current SCRA. Three positions in the Office of Early Childhood would be required for teacher training and monitoring in classrooms. An assistant to the new staff would be required.

(b) Future Impact on Operating Expenses of Facility Requirements: Office space, computers, telephones, etc. Anticipate an increase in travel funds for the Office of Early Childhood.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II (Office of Early Childhood)					
(a) Number of FTEs	3				3
(b) Salary	\$174,000				\$174,000
(c) Fringe Benefits	\$48,720				\$48,720

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II (Office of Assessment)					
(a) Number of FTEs	1				1
(b) Salary	\$58,000				\$58,000
(c) Fringe Benefits	\$16,240				\$16,240

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist					
(a) Number of FTEs	1				1
(b) Salary	\$24,000				\$24,000
(c) Fringe Benefits	\$6,720				\$6,720

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State	
Federal	1
Other	

Agency-wide Vacant FTEs as of July 31, 2005: 72
% Vacant 7.4%

H. Other Comments:

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No.** 22 of 33

C. (1) **Title:** High Schools That Work/Making Middle Grades Work

(2) **Summary Description:** Request is to maintain the 100 current High Schools That Work and Making Middle Grades Work sites and add 40 new sites. Additional funds will also supplement start-up costs for 40 new Making Middle Grades Work and High Schools That Work sites.

(3) **Strategic Goal/Action Plan:** Strategic Goal 1.1-1.5, Strategic Goal 5.1-5.4, Strategic Goal 6.4

D. **Budget Program Number and Name:** XI.A.1 – Student Learning

E. **Agency Activity Number and Name:** 700 – High School That Work (HSTW)/Making Middle Grades Work (MMGW)

F. **Detailed Justification for Funding**

(1) **Justification for Funding Increase:** High Schools That Work and Making Middle Grades Work are whole school reform efforts dedicated to providing a quality education for all students supported by the SREB Making Middle Grades Work transition program. The High Schools That Work goal is to increase the number of students who meet reading, math, and science performance goals and who complete an upgraded academic core and a career focus. The ten key practices and key conditions of High Schools That Work include: advocating accelerated learning and raising standards for all students, giving students the counseling, support, and extra help they need to plan and complete a challenging program of study, involving parents and the community in efforts to raise student achievement, and securing and effectively utilizing world class technology. The key practices relate directly to the No Child Left Behind Act requirements of assessment and accountability for results, flexibility and local control, and scientifically based research. SREB requires technical assistance visits to new and maturing sites on a three year rotating basis. SREB also requires that all HSTW sites receive an assessment every other year. Requested increase is for \$1,100,000.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*				2.00	2.00
(b) Salary				\$110,000	\$110,000
(c) Fringe Benefits				\$33,000	\$33,000
Pass-Through Funds				\$500,000	\$500,000
Other Operating Expenses				\$457,000	\$457,000
Total	\$ 0	\$0	\$0	\$1,100,000	\$1,100,000

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) **Base Appropriation:**

State	
Federal	
Other	\$1,000,000

(4) **Is this priority associated with a Capital Budget Priority?** NO If so, state Capital Budget Priority Number and Project Name: NA

G. **Detailed Justification for FTEs:**

(1) **Justification for New FTEs**

(a) **Justification:** Two FTEs are needed to support the significant growth of *High Schools That Work (HSTW)* and *MMGW (MMGW)*. Currently, the state has 65 *HSTW* sites and 35 *MMGW* sites. Growth indicators based on completed applications from potential new sites and anticipated additional applications based on phone

inquiries lead us to believe that we will probable add between 30 and 40 sites this fall. The recently passed South Carolina Education and Economic Development Act mandates that all high schools select a whole school reform initiative Based on the growth in our state, we expect that most of our schools will select the *HSTW/MMGW* models as mandated in the legislation. Even if we can “manage” the growth we would anticipate having to add approximately 30 sites/year for the next four to five years in order to serve only our high schools by the legislation implementation deadline of 2011. The need to conduct technical assistance visits as required by the reform initiative (three-year cycle) requires significant management and time to provide the required technical assistance before, during, and after those visits. The task is daunting, and additional personnel are certainly needed to keep pace with the growth.

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II					
(a) Number of FTEs				2	2
(b) Salary				\$110,000	\$110,000
(c) Fringe Benefits				\$33,000	\$33,000

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2005: 72
% Vacant 7.4%

H. Other Comments: NA

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 23 of 33

C. (1) Title: Gifted and Talented

(2) Summary Description: State Board of Education Regulation 43-220 requires districts to serve academically and artistically gifted and talented students. §59-29-170, Programs for talented students, Code of Laws of South Carolina, 1976, Amended 1986, creates priorities for serving these students.

(3) Strategic Goal/Action Plan: Strategic Aim 1, High Student Achievement. Increase and sustain emphasis on identifying students with high performance ability or potential and providing an educational program beyond that normally provided by the general school program in order to achieve their potential in their area of strength. When provided with an appropriately differentiated curriculum and when taught by teachers trained to instruct gifted and talented students, these students should develop their unique talents.

Strategic Goals:

- 1.1 Students are held to rigorous and relevant academic standards.
- 1.2 Students demonstrate essential knowledge and skills as described in the curriculum standards.
- 1.3 Students graduate from high school ready for college or a career.
- 1.4 Students use technology to reach higher levels of learning.
- 1.5 The state educational system components are aligned so that all students reach a high level of academic achievement.

D. Budget Program Number and Name: XI.A.1 – Student Learning-Gifted and Talented Program

E. Agency Activity Number and Name: 684 – Gifted and Talented (G&T) Instruction

F. Detailed Justification for Funding

(1) Justification for Funding Increase: Growth in the number of students identified for academically gifted and talented program services and the state's failure to fully fund the program have created significant problems for districts. Students are not served in an appropriate instructional setting with a differentiated curriculum, and students are not achieving at high levels in their strength areas.

A 2003 national policy study identified South Carolina as a leader in the development of policy related to gifted and talented programs. However, these policies have never been implemented completely due to the lack of funding. The state will never evaluate the impact of gifted and talented programs in a valid and reliable manner until funding for the program sustains and supports the best practices set forth in our policies. It is highly probable that fewer gifted and talented students will perform at the proficient or advanced level as funding does not keep pace with the program needs.

A 2005 study commissioned by the South Carolina Education Oversight Committee (*A Descriptive Study of South Carolina's Gifted and Talented Program*) reported that insufficient funding was the most commonly reported challenge facing the gifted and talented program, and increased funding was the most commonly reported change needed (eighty-two of eighty-five school districts responding to this study).

From a review of the data submitted by districts, the following information was compiled:

- There were 71,632 students served in academically gifted programs in the state during the 2004–05 school year.
- For the 2005–06 school year, the state provides 52% of the required funding. Moreover, this level of funding is lower than FY99 when there were only 51,009 students in academically gifted programs.
- Districts are being asked to serve more students, to be more accountable for student performance, and to provide a greater variety of services with less state funding.
- There are no data to describe accurately the status of artistic programs. Anecdotal information suggests that many districts either provide no service or have an extremely limited artistic program.

The current appropriation for the EIA Gifted and Talented Program is \$29,497,533. Academic programs receive \$25,597,780 and artistic programs receive \$2,949,753. The Junior Academy of Science receives \$100,000 and the Department uses \$850,000 to provide teacher training and to screen students for program eligibility.

To fully fund the program in 2006–07 using the data of number of students served in 2004–05,

- the per pupil cost for the academic program with base student cost of \$2,367 X .30 X 71,632 students for a total of \$50,865,883;

- add to that figure \$5,086,588 which represents 10% for the artistic program;
- add \$850,000 for teacher training and screening of students for program eligibility; and
- add \$100,000 to support the Junior Academy of Science.

The total funding required to fund the program in FY07 is \$56,902,471. The requested increase is \$27,404,938

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					
(b) Salary					
(c) Fringe Benefits					
Pass-Through Funds				\$27,404,938	\$27,404,938
Other Operating Expenses					
Total	\$ 0	\$0	\$ 0	\$27,404,938	\$27,404,938
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	
Federal	
Other	\$29,497,533

(4) Is this priority associated with a Capital Budget Priority? No. If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 24 of 33

C. (1) Title: Education Leadership: Principal Skills Analysis Program (PSAP); Education Leaders Technology Training Program

(2) Summary Description:

Principal Skills Analysis Program (PSAP):

Section 59-24-10 of the South Carolina Code of Laws directs “Assessment of leadership and management capabilities of persons prior to appointment as principal.” In the past this mandate was implemented through the South Carolina Principal Assessment Center program. Unfortunately, this program was eliminated due to budget reductions. It is critical that this important program be refined and reinstituted. Education leaders throughout South Carolina have indicated that the loss of this program was a detriment to education leadership in the state. The PSAP would provide leadership, management, facilities and logistics for conducting skills analysis of individuals selected to become principals.

The intent of this program is to provide newly selected principals with information about their strengths and weaknesses as educational leaders before they assume the principalship. This information is the foundation for their ongoing professional development plan. Analysis of program trends are very beneficial when constructing professional development opportunities at the state and district level.

The PSAP would put participants through rigorous simulations designed to help determine competency in a range of leadership skills. Trained assessors would provide individual attention and feedback to the participants.

Education Leaders Technology Training Program:

It is critical that our State’s education leaders have access and expertise with cutting edge technologies. While technology is certainly not the answer to all the woes of education, finding and using the right technology can improve the efficiency and effectiveness of education leaders. This program would research and analyze new technologies as they become available. Once a technology is determined to be of benefit to South Carolina’s education leaders, training programs would be developed and implemented to put those cutting-edge technologies in the hands of education leaders.

In the past, grant funds were made available to purchase PDAs and software that enabled principals, district leaders, and superintendents to automate the classroom observation process. This program provided administrators with advanced technology training and equipment that allowed for immediate access to state standards and the ability to cross-walk those standards and classroom lessons to Bloom’s Taxonomy and Marzano’s Dimensions of Thinking.

(3) Strategic Goal/Action Plan: Strategic Initiative: Education Leadership

6.1 School leaders are highly qualified, caring, and supportive.

6.2 State education leadership is aligned.

6.3 Education leadership is accountable.

6.4 Professional development programs support education leaders.

D. Budget Program Number and Name: XI.E.1, XI.E.3 – Leadership Schools, State

E. Agency Activity Number and Name: New

F. Detailed Justification for Funding

(1) Justification for Funding Increase:

Principal Skills Analysis Program (PSAP):

Full implementation of the Principal Skills Analysis Program (PSAP) is essential as we strive to improve the quality and retention of education leaders in South Carolina. This program provides the foundation for subsequent education leader training. It also provides the new principal and his or her superintendent critical information in the development of an ongoing professional development plan. See section H, Other Comments for calculations.

Education Leaders Technology Training Program:

We can no longer afford to expect our educational leaders to be technologically savvy without funding a program to focus on this important competency. Providing cutting edge technology and training to principals and other education leaders will improve their ability to lead and manage schools and districts, all focused on improving teaching and student performance. See section H, Other Comments for calculations.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3.00			3.00
(b) Salary		\$169,000			\$169,000
(c) Fringe Benefits		\$47,320			\$47,320
Pass-Through Funds					\$ 0
Other Operating Expenses		\$111,465			\$111,465
Total	\$ 0	\$327,785	\$ 0	\$ 0	\$327,785
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State
Federal
Other

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

Principal Skills Analysis Program (PSAP)

This program requires 1.5 professional staff and 1 administrative support person. The duties and responsibilities include developing, planning, coordinating and implementing the PSAP. These duties include:

- Recruiting and selecting assessors
- Developing and implementing the assessor training
- Coordinating assessors for each program
- Coordinating and monitoring to ensure all new principals go through the PSAP
- Coordinating facilities and processing appropriate paperwork (travel, P.O.s, certificates)
- Researching best practices in education leader assessment
- Conducting approximately 20 programs with 6-8 participants in each program
- Evaluating and refining the program

Education Leaders Technology Training Program:

This program requires 0.5 professional staff. The duties and responsibilities include developing, planning, coordinating, and implementing the Technology Training program for educational leaders. These duties include:

- Recruiting participants and coordinating the sessions
- Developing and implementing training
- Coordinating outside experts for each program (if necessary)
- Coordinating facilities and processing appropriate paperwork (travel, P.O.s, certificates)
- Researching best practices in education leader technology training
- Conducting approximately 6 programs with 25-30 participants in each program
- Evaluating and refining the program

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate III					
(a) Number of FTEs	2.00				2.00
(b) Salary	\$144,000				\$144,000
(c) Fringe Benefits	\$40,320				\$40,320

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist					
(a) Number of FTEs	1.00				1.00
(b) Salary	\$25,000				\$25,000
(c) Fringe Benefits	\$7,000				\$7,000

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State
Federal
Other

Agency-wide Vacant FTEs as of July 31, 2005: 72

% Vacant 7.4%

H. Other Comments:

CALCULATIONS: Principal Skills Analysis Program (PSAP)

Salary:

1.5 Education Associate III x \$72,000 = \$108,000
1 Administrative specialist x \$25,000 = \$25,000
Fringe @ 28% \$37,240
Sub-total \$170,240

Other Operating Expenses:

Assessor stipends \$20,000
Lodging \$24,000
Travel \$15,000
Food \$6,000
Supplies/Printing \$2,000
Sub-total \$67,000

Total \$237,240

PSAP will require a large assessment room that will be needed 20-25 weeks each year. It would be more cost effective to provide the space permanently versus renting space for each program. If space had to be rented it would increase the budget by approximately \$18,000 (20 programs x 3 days x 300 per day).

CALCULATIONS: Education Leaders Technology Training Program:

Salary:

.5 Education Associate III x \$72,000 = \$36,000
Fringe @ 28% = \$10,080
Sub-total \$46,080

Other Operating Expenses:

Equipment (technology) \$27,000
Consultant stipend \$3,000
Travel \$9,315
Food \$1,350
Supplies/Printing \$2,000
Facility Rental \$1,800
Sub-total \$44,465

Total \$90,545

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No.** 25 of 33

C. **(1) Title:** Teacher Quality: TEACH Corp

(2) Summary Description: TEACH Corp would allow teacher candidates throughout the state to complete one required field experience in one of the fifteen identified high need districts. The higher education institution would work with the identified high need district to plan the experience so that candidates will have a realistic and well-rounded view of the necessary skills required for working with children from low income families. This initiative has the potential to affect current practices and future developments for each district. It will also impact economic entities that may develop an interest in attracting these candidates back to the districts to live and to teach.

(3) Strategic Goal/Action Plan: Teacher Quality

D. **Budget Program Number and Name:** XI.C – Teacher Quality; IV. – Teacher Quality

E. **Agency Activity Number and Name:** 745 – Teacher Education (New Initiative)

F. **Detailed Justification for Funding:**

(1) Justification for Funding Increase:

State policy requires teacher education programs to ensure that teacher candidates complete 100 hours of field experiences prior to beginning student teaching and to provide diversity in field experiences. Field experiences are usually completed in the districts that are in closest proximity to the higher education institution's setting. Depending on the location, candidates may not experience a true representation of the necessary skills required for working with students from low-income families. The requested increase provides funding to expand exposure to students who would not normally participate in environments of this type and to address the needs of attracting qualified candidates to low performing districts. This program targets needs identified in the forthcoming equity lawsuit decision. All higher education institutions with teacher preparation programs should prepare future teachers to work in districts of extreme poverty with distinctly unique needs. The equity lawsuit has brought attention to the facts that poorer districts often struggle to hire qualified teachers, have higher turn-over rates in staff and routinely demonstrate lower levels of student achievement on standardized tests than wealthier districts. The increased funding provides the resources to achieve the strategic aim of Teacher Quality.

A set of fifteen high need districts has been identified and preliminary work has begun to provide a foundation for the program. TEACH Corp will allow teacher candidates throughout the state to complete one required field experience in one of the fifteen identified high need districts. The higher education institution would collaborate with the identified high need district to plan the experience so that candidates will have a realistic and well-rounded view of the necessary skills required for working with children from low income families. The effectiveness of this experience would be evaluated by a comparison of levels of change observed by supervisors in the candidates in the cohort to non-participating candidates. Change factors may include attitudinal differences as well as changes in teaching proficiencies.

The end result of the program is to fulfill the requirement to provide diversity in field experiences in all of the curriculums currently approved for teacher preparation and to attract qualified candidates to low performing districts. The requested increase provides funding to establish partnerships that would expand exposure to students who would not normally participate in environments of this type, resulting in meeting the needs of our states low performing districts.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Other Operating Expenses		\$108,680			\$108,680
Total	\$ 0	\$108,680	\$ 0	\$ 0	\$108,680

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State	\$109,550
Federal	
Other	

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Explanation of Other Operating Expenses	
Travel	\$52,000
Contractual Services	\$41,680
Supplies and Materials	\$15,000
Total	\$108,680

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No. 26 of 33**

C. **(1) Title:** Teacher Quality: Teacher Education Program Report Card for Teacher Education Programs

(2) Summary Description: Title II, Section 207, of the Higher Education Act (HEA) as passed in 1998 requires states, as recipients of HEA funds, and all institutions with teacher preparation programs that enroll students receiving federal financial assistance, to prepare annual reports on teacher preparation and licensing. A data warehouse will be developed to meet the needs of Title II as well as supporting comprehensive policy making decisions for teacher preparation programs in South Carolina.

(3) Strategic Goal/Action Plan: Teacher Quality

D. **Budget Program Number and Name:** XI.C – Teacher Quality; IV – Teacher Quality

E. **Agency Activity Number and Name:** 745 – Teacher Education

F. **Detailed Justification for Funding:**

(1) Justification for Funding Increase:

SDE is required to accredit the teacher education and preparation program of all institutions of higher education in South Carolina. Institutions must meet relevant state and federal accreditation and program standards as provided by the National Council for the Accreditation of Teacher Education (NCATE), Title II of the Federal Higher Education Act (HEA) of 1998, and the SC Code of Laws. SDE prepares and submits the Title II State Report to the US DOE as mandated by Title II, Section 207 of the HEA and is responsible for including additional report card components approved by the State Board of Education.

The requested increase provides funding to carry out the state and federal annual reporting requirements, which assure that institutional program effectiveness is reviewed through such program completion indicators as certification exam pass rates (PRAXIS II exam), teacher induction and evaluation program performance, and surveyed perceptions of program effectiveness. The increased funding provides the resources to achieve the strategic aim of Teacher Quality. The state report card requires information about three basic areas: state certification requirements, the institutions and alternative routes that prepare teachers and their success in doing so as measured by pass rates on certification tests, and the numbers of teachers in the state, both those who are and those who are not fully certified to teach. The state report also must rank order institutions and alternative preparation routes in quartiles in each of seven categories by percent of candidates passing the assessments. The end result of the program is to fulfill the requirements to provide a description of state efforts to improve teacher quality and to identify both low-performing teacher preparation programs and those at-risk of being considered low performing, providing technical assistance to those programs so designated. No resources are provided to cover the increase in costs associated with meeting this mandate by Title II, Section 207 of the HEA and the State Board Requirements.

In addition to Title II requirements, the State currently lacks the ability to adequately access and monitor teacher preparation programs in terms of pertinent trends such as graduation rates, candidate satisfaction rates and critical needs such as programming quality and distance education opportunities for the state. A Data Warehousing computing environment will enable policy makers to examine the comprehensive state of teacher preparation programs in South Carolina without overdependence on technical analysts.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Other Operating Expenses		\$180,000			\$180,000
Total	\$ 0	\$180,000	\$ 0	\$ 0	\$180,000

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State
Federal
Other

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

Explanation of Other Operating Expenses	
Contractual Services	\$75,000
Supplies and Materials	\$30,000
Equipment	\$75,000
Total	\$180,000

- A. Agency Section/Code/Name:** Section 1, H63–Department of Education
- B. Priority No. 27 of 33**
- C. (1) Title:** Education of Students with Disabilities. Students with Disabilities in Alternative Residences; Extended School Year; Preschool Children with Disabilities.
(2) Summary Description: Students with Disabilities in Alternative Residences. To provide funding to local school districts for the provision of improved educational and related services to students with disabilities who reside in alternative residences located within their geographic boundaries.
 Extended School Year. Provides extended school year services for students with disabilities whose IEPs specify such services.
 Preschool Children with Disabilities. Provides financial support for the provision of a free appropriate public education for 5,038 three and four year old children with disabilities statewide in South Carolina.
(3) Strategic Goal/Action Plan (if applicable): Strategic Aim 1–High Student Achievement. 1.1. Students are held to rigorous and relevant academic standards.
- D. Budget Program Number and Name:** III – Division of Curriculum Services; XI.A.1. – P.L. 99-457 Preschool Children with Disabilities; XIII – Aid to School Districts.
- E. Agency Activity Number and Name:** 694 – Services to Students with Disabilities –Special Needs – Children w/Disabilities PL 99-457; 695 – Services to Students with Disabilities – Special Needs Children – Aid Sch Dist-Pilot Ext
- F. Detailed Justification for Funding**
(1) Justification for Funding Increase:
 Students with Disabilities in Alternative Residences. Under Proviso 1.9 local education agencies wherein alternative residences are located are responsible for providing a free and appropriate education for all students residing within the alternative residence. For the most part, these students come from all over the state and require an extremely high level of services. During the course of a school year the residency of these students may change frequently, and they require additional supports such as shadows. The number of group homes has increased dramatically, and the number continues to grow each year. Many are located in small districts that do not have the necessary support services and resources available that are required to appropriately serve these students. In 2004–05 there were approximately 557 students in alternative residences. Request is for \$1,000,000.
- Extended School Year. Last year local education agencies received \$10.11 per child for each student receiving extended school year services. Three school districts participated in a pilot program during the summer of 1993 under a legislative proviso. It was determined that the average cost per student was \$323.77. Further, an incidence rate of 6.2% was established. Request is for \$1,000,000 pass-through. The current appropriation is \$43,316 General Fund.
- Preschool Children with Disabilities. In 1995, a report commissioned by the Joint Committee to Study Formula Funding in Education Programs stated that the average cost for educating a preschool child with a disability was \$3,009. This was based on a study of the costs incurred in ten representative districts. The total of state and federal funds available for this population last year was \$906.52 per child creating a deficit of \$2,102.48 per child. This request would enable preschool children with disabilities to receive more appropriate services, which would enable them to achieve higher standards when they reach school age. The total cost to meet this requirement would be \$10,592,294. The request below would meet 15.11% of this need. Request is for an increase of \$1,600,000. Current appropriation is \$3,973,584.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds		\$3,600,000			\$3,600,000
Total	\$ 0	\$3,600,000	\$ 0	\$ 0	\$3,600,000
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$43,316
Federal	
Other	\$3,973,584

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs:

H. Other Comments:

Alternative Residence. The funding formulae that would be utilized would be to divide the number of students with disabilities residing in alternative residences into the allocation to determine a per pupil amount per alternative residence. In order to determine the allocation available for each school district, the per pupil amount would be multiplied by the number of students with disabilities residing in alternative residences within each district. The expenditure of these funds would be limited to the provision of direct services for students residing in the alternative residences.

Preschool Children with Disabilities. All local school districts are mandated by both state and federal statutes to provide a free appropriate public education for all children with disabilities beginning on their third birthday. Owing to financial constraints, many of the 5,038 three and four year old children with disabilities are receiving fragmented and limited services. In February 2002, the Office of Special Education Programs with the U. S. Department of Education visited several districts and validated that many children in the state were not receiving services on their birthday.

A. Agency Section/Code/Name: Section 1AA, H66 –Lottery Expenditure Account

B. Priority No. 28 of 33

C. (1) Title: K–5 Enhancement Funds; 6–8 Enhancement Funds

(2) Summary Description: The Office of Curriculum and Standards provides pass-through funds to districts to support their efforts to improve student academic performance and teacher quality. These appropriations must be used to supplement and not supplant existing funds for education. These funds also support statewide endeavors addressing these two areas.

(3) Strategic Goal/Action Plan: Strategic Goals:

Strategic Aim 1– High Student Achievement. 1.1. Students are held to rigorous and relevant academic standards.
Strategic Aim 2– Teacher Quality. 2.2 Teacher preparation programs produce highly qualified teachers.

D. Budget Program Number and Name: Section 1AA - H66, I. Lottery Expenditure Account, item (12) Department of Education—K–5 Reading, Math, Science & Social Studies Program as provided in Section 59-1-525.
Section 1AA - H66 – Lottery, item (13) Department of Education--Grades 6–8 Reading, Math, Science & Social Studies Program.

E. Agency Activity Number and Name: 713 – Enhance Teacher Skills and Student Performance in English, Math, Science, and Social Studies in Grades K–5 and 6–8

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The SDE requests continued support in this area for FY07. The school districts rely on these funds to supplement their instructional improvement efforts described in their strategic plans. FY 2006 funding for grades K–5 was \$46,500,000 from the Lottery and grades 6–8 was \$2,000,000 from the Lottery. Request is for \$48,500,000 of which \$48,500,000 is to replace prior year Lottery appropriation. To extend support so all students can benefit from increased academic performance; the SDE recommends that funds be allowed to be spent in grades K–12. The title would be changed to K–12 Enhancement Funds.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				\$48,500,000	\$48,500,000
Total	\$ 0	\$ 0	\$ 0	\$48,500,000	\$48,500,000

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State
Federal
Other

(4) Is this priority associated with a Capital Budget Priority? NO If so, state **Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs: NA

H. Other Comments: NA

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 29 of 33

C. (1) Title: Professional Development on Standards

(2) Summary Description: These funds are used to provide the professional development activities supporting the implementation of the state’s academic standards for teachers in grades K–12. These activities are designed to enhance capacity of teachers to implement and support standards-based curriculum, instruction, and assessment practices, and to increase teacher knowledge of the subject matter content.

(3) Strategic Goal/Action Plan: Strategic Aim 2, Teacher Quality. Increase teachers’ content knowledge of the eight core subject areas, as well as enhance teachers’ instructional strategies and assessment practices. The strategic goal is 2.4, teacher professional development programs are effective.

D. Budget Program Number and Name: XI.C.4 – Education Improvement Act, 1A.42. – Professional Development

E. Agency Activity Number and Name: 710 – Professional Development on Standards

F. Detailed Justification for Funding

(1) Justification for Funding Increase: This request is to restore the Professional Development funds to the FY 2002 level of \$7,000,000. This increase will assist districts in providing the necessary professional development to teachers in the eight core subject areas having state-approved academic standards. The decrease in funding that has occurred over the past two years has had a great impact on the number of teachers districts have been able to reach, dropping over twenty percent in 2003–04 (from 40K teachers to 32K).

Districts are charged with providing teachers with training on content, instructional strategies, and assessment practices aligned with the state academic standards. Two areas that will be revised next year are mathematics and English language arts. These subjects represent the largest number of teachers and are accountable for both NCLB and EAA. In addition, the Department of Education will be responsible for strengthening its efforts to provide services and support on the effective use of assessment results and other data necessary to improve instruction and academic performance.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				2,586,515	2,586,515
Total	\$ 0	\$ 0	\$ 0	\$ 2,586,515	\$ 2,586,515
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	
Federal	
Other	\$4,413,485

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments:

A. Agency Section/Code/Name: Section 1, H63–Department of Education

B. Priority No. 30 of 33

C. (1) Title: Mathematics and Science Centers

(2) Summary Description: The Mathematics and Science Centers support the improvements in mathematics and science by providing high quality job-relevant and sustained professional development using a variety of research-validated strategies. The professional development activities have the overall goal of increasing the capacity of teachers to provide instruction that will increase student achievement in mathematics and in science.

(3) Strategic Goal/Action Plan: The mission of the program is to support improvements in mathematics and science through resources and professional development in instructional techniques and strategies, use of technology, leadership, content in subject areas and assessment.

- (a) Provide professional development to schools and districts to increase teacher knowledge and instructional practice to increase student achievement in mathematics and science.
- (b) Train, place, and support elementary (grades K–5) school level coaches in mathematics and science who will help teachers to increase their content and pedagogical knowledge so that instruction is improved and student achievement rises.
- (c) Support the use of exemplary science curriculum materials in elementary and middle schools and to provide special support for elementary mathematics instruction.
- (d) Provide specific professional development for high school teachers of algebra and physical science to benefit students who are to take the exit examination beginning during the current school year.

D. Budget Program Number and Name: XI.C.4. – Professional Development –NSF Grants (CSO Mathematics and Science Unit)

E. Agency Activity Number and Name: 690 – Professional Development and Support for Math and Science

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The Mathematics and Science Unit (MSU) requests an increase of 10% (\$299,618) in order to increase its services and support to the state's schools. This request will bring the allocation in line with the FY99 amount. Through its regional centers, the MSU will develop and implement a middle and high school mathematics coaching model, building on the successful work done at the elementary grades since 2003. This increase will help meet the needs of the schools and districts, particularly as they implement high school redesign efforts.

During the 2005–06 school year, the staff of the Mathematics and Science Centers will support one hundred and four mathematics and science coaches in schools across the state. The schools contain approximately 2,400 teachers serving nearly 60,000 K–5 students. The elementary coaching initiative has demonstrated its effectiveness in raising the PACT scores of the students whose teachers have received more than sixty hours of coaching support. Additionally, the centers provide programs at the high school level, supporting teachers of algebra and physical science.

The research is clear; the future economic well-being of South Carolina depends on the development of a well-educated work force. This fact is of particular importance in science, mathematics, engineering, and technology education. The public schools of this state will need to do the best possible work to increase the numbers of South Carolina students who are prepared to enter science, technology, engineering, and mathematics careers. The Mathematics and Science Centers continue to provide high quality professional development to teachers, schools, and districts across the state.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				\$299,618	\$299,618
Total	\$ 0		\$ 0	\$299,618	\$299,618
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	
Federal	
Other	\$2,900,382

(4) Is this priority associated with a Capital Budget Priority? NO If so, state Capital Budget Priority Number and Project Name: NA

G. Detailed Justification for FTEs: NA

H. Other Comments.

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No.** 31 of 33

C. (1) **Title:** School Facilities

(2) **Summary Description:** To provide funding and support for public school facilities.

(3) **Strategic Goal/Action Plan:** Strategic Initiative: Safe and Healthy Schools. Strategic Goals

5.1 Schools are safe, healthy places with environments that are conducive to learning; 5.2 School facilities are safe, functional, and adequate; 5.4 Schools form community and state alliances that promote the health, safety, and well being of students.

D. **Budget Program Number and Name:** V. – District and Community Services

E. **Agency Activity Number and Name:** 704 – School Facilities Buildings; 761 – School Facilities Support

F. **Detailed Justification for Funding**

- The state provides pass-through funding for building and maintenance of school facilities and SDE funding the supports limited review of plans and inspection of construction. Unlike other states, South Carolina does not currently use its state level office to act as a central clearinghouse for state-of-the-art design review. 3 FTEs and \$200,000
- The SDE proposes that all school design professionals receive training and certification in designs for school security, such as through the Crime Prevention Through Environmental Design organization. With funding the SDE would sponsor or provide this training and certification. \$10,000
- The SDE has no jurisdiction over maintenance or repair of school buildings, although districts are required to periodically report on capital needs. To ensure that all districts are operating minimally adequate facilities, the SDE would create tools for assessing school facilities; train district staff on utilization of the tools; assist in setting priorities for maintenance, repairs, renovations, and demolition; and pay for contracting consultants to perform these tasks in districts as needed. \$1.7 million

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		3			3.00
(b) Salary		\$144,000			\$144,000
(c) Fringe Benefits		56,000			\$56,000
Pass-Through Funds					\$ 0
Other Operating Expenses	1,710,000				\$1,710,000
Total	\$1,710,000	\$200,000	\$0	\$ 0	\$1,910,000

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) **Base Appropriation:**

State	\$237,163
Federal	
Other	\$50,454

(4) **Is this priority associated with a Capital Budget Priority?** NO **If so, state Capital Budget Priority Number and Project Name:** NA

G. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses of Facility Requirements: No additional facilities requested.

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Architect-Engineer					
(a) Number of FTEs	2				2
(b) Salary	\$114,000				\$114,000
(c) Fringe Benefits	\$44,600				\$44,600

	State	Federal	Earmarked	Restricted	Total
Position Title: Administrative Specialist					
(a) Number of FTEs	1				1
(b) Salary	\$30,000				\$30,000
(c) Fringe Benefits	\$11,400				\$11,400

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State 8

Federal

Other

Agency-wide Vacant FTEs as of July 31, 2005: 72

% Vacant 7.4%

H. Other Comments:

- A. **Agency Section/Code/Name:** Section 1 H63-Department of Education
- B. **Priority No.** 32 of 33
- C. (1) **Title:** Office of Research
 (2) **Summary Description:** The Office of Research collects and reports data concerning the State's public education system, evaluates educational programs, publishes school and district report cards, and determines if schools and districts meet the objectives for adequate yearly progress.
 (3) **Strategic Goal/Action Plan:** 1.5
- D. **Budget Program Number and Name:** III. – Curriculum Services and Assessment
- E. **Agency Activity Number and Name:** 758 – Conduct Research and Prepare Reports
- F. **Detailed Justification for Funding**
 (1) **Justification for Funding Increase:** In the past six years, the Office of Research has been given responsibility for the data analysis and reporting for both State and national accountability programs (school and district report cards and AYP). These programs consume about one-half of the staff's time. In addition, the Office publishes twenty-two other data reports. During a year, we collect and report a large volume of data. A report card for an elementary school, for example, contains over 500 data elements. We are not able to meet our responsibilities for NCLB and other accountability programs, which continue to increase, as well as for educational evaluation and research. Two additional staff members are needed to carry out the Office's responsibilities. Funds are needed for equipment for the two staff.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*		2.0			2.00
(b) Salary		\$100,000			\$100,000
(c) Fringe Benefits		\$28,000			\$28,000
Pass-Through Funds					
Other Operating Expenses	\$10,000				\$10,000
Total	\$10,000	\$128,000	\$ 0	\$ 0	\$138,000
<i>*If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.</i>					

(3) **Base Appropriation:**

State \$ 689,361.17
 Federal \$ 1,511,297.45
 Other

- (4) **Is this priority associated with a Capital Budget Priority?** NO If so, state Capital Budget Priority Number and Project Name: NA

G. **Detailed Justification for FTEs:**

(1) **Justification for New FTEs**

(a) **Justification:** In the past six years, the Office of Research has been given responsibility for the data analysis and reporting for both State and national accountability programs (school and district report cards and AYP). These programs consume about one-half of the staff's time. In addition, the Office publishes twenty-two other data reports. During a year, we collect and report a large volume of data. A report card for an elementary school, for example, contains over 500 data elements. We are not able to meet our responsibilities for NCLB and other accountability programs, which continue to increase, as well as for educational evaluation and research. Two additional staff members are needed to carry out the Office's responsibilities. Funds are needed for equipment for the two staff.

(b) **Future Impact on Operating Expenses or Facility Requirements:** None

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title: Education Associate II					
(a) Number of FTEs	2.0				2.00
(b) Salary	100,000				100,000
(c) Fringe Benefits	28,000				28,000

(3) FTEs in Program Area per FY 2005-06 Appropriation Act:

State 16
Federal
Other 1

Agency-wide Vacant FTEs as of July 31, 2005: 72
% Vacant 7.4%

H. Other Comments: NA

A. **Agency Section/Code/Name:** Section 1, H63–Department of Education

B. **Priority No.** 33 of 33

C. (1) **Title:** Teacher Salary Supplement and Employer Contributions

(2) **Summary Description:** This EIA program provides the additional funds needed over and above base salary funding to achieve and/or exceed the projected southeast average teacher salary for over 47,000 teachers throughout the entire state. **NOTE: THIS REQUEST MUST BE SYNCHRONIZED WITH THE EFA, TEACHER SPECIALIST, AND NATIONAL BOARD REQUESTS.**

(3) **Strategic Goal/Action Plan:** Teacher Quality, Teacher Retention

D. **Budget Program Number and Name:** XI.C.3. – Teacher Salary Supplement and Employer Contributions

E. **Agency Activity Number and Name:** 686 – Teacher Salary Supplement; 687 – Teacher Salary Supplement Employer Contributions

F. **Detailed Justification for Funding**

(1) **Justification for Funding Increase:** This request synchronized with the EFA, national board certification, and teacher specialist requests provides teacher salary supplement and related fringe to exceed the southeastern average teacher salary by \$300. The SC average salary goal for FY 2007 is set to be \$43,991 and is projected to exceed the southeastern average teacher salary by \$300. The State Minimum Salary Schedule would increase by approximately 2.54% and the average SC teacher salary would increase by approximately 2.52%. This request is subject to the General Assembly's action on the following budget requests: EFA, National Board Certification, Teacher Specialist. This program permits the state to achieve or exceed the projected southeast average teacher salary. Program success will be measured by comparing South Carolina average teacher salary to the southeastern average teacher salary. For FY 2005, the South Carolina average teacher salary is \$42,189. The FY 2006 projected South Carolina average teacher salary is \$42,909. The FY 2007 projected southeast average teacher salary is \$43,691. These salary estimates include National Board Certification and Teacher Specialist incentives. The EIA teacher salary supplement and fringe line items complement base funding for teacher salaries. This program provides for meeting the southeastern average teacher salary as projected by the Office of Research and Statistics, Budget and Control Board. Applicable state statute: S. C. Code Ann. § 59-20-50(b). SDE current resources are inadequate to cover the increase.

(2)

FY 2006–07 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Pass-Through Funds				(\$9,040,923)	(\$9,040,923)
Total	\$ 0	\$ 0	\$ 0	(\$9,040,923)	(\$9,040,923)

**If new FTEs are needed, please complete Section F (Detailed Justification for FTEs) below.*

(3) **Base Appropriation:**

State	
Federal	
Other	\$122,179,194

(4) **Is this priority associated with a Capital Budget Priority?** NO If so, state **Capital Budget Priority Number and Project Name:** NA

G. **Detailed Justification for FTEs:** NA

H. **Other Comments:**

This request must be synchronized with the National Board Certification and Teacher Specialist requests.

FY2007 Required Appropriation:

1. EIA Teacher Salary Supplement =	\$94,994,350
2. EIA Teacher Salary Increase Fringe Benefits =	\$18,143,921
TOTAL =	\$113,138,271